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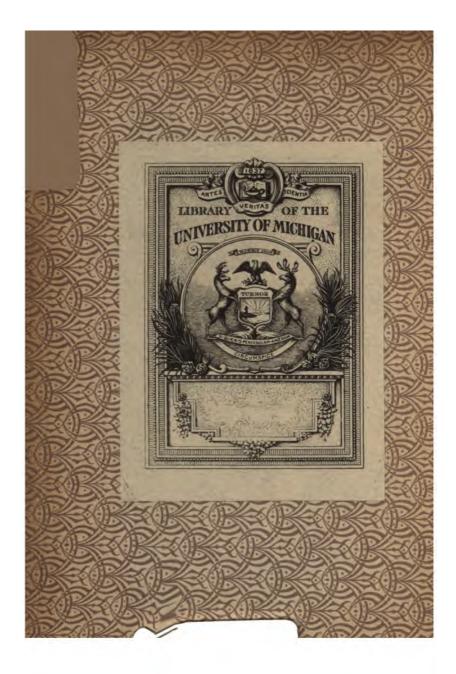
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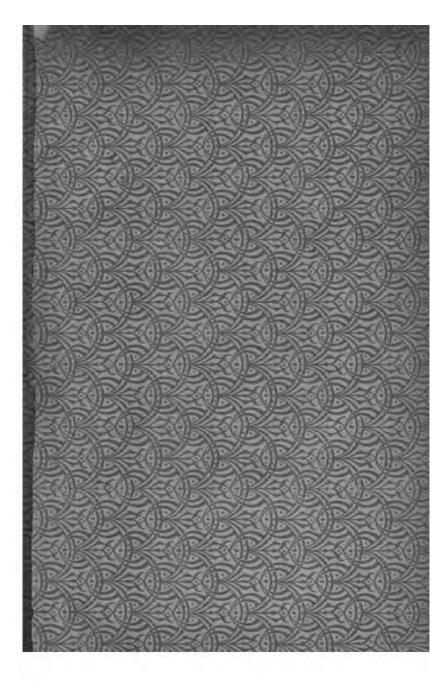
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THE BRITISH WEST INDIES

SUGAR INDUSTRY

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AND THE

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J. W. ROOT

AUTHOR OF

AND TRADE," "SPAIN AND ITS COLONIES"

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INTRODUCTION.

CIRCUMSTANCES point to an early revival of interest in the destiny of the British West Indies. A Royal Commission visited these colonies in the early part of 1897, and later in the year issued its Report, based on the voluminous evidence collected. Unfortunately the unprecedentedly rapid occurrence of political events of the first magnitude in almost every quarter of the globe withdrew the attention of the British public, which might otherwise have been given to this Report. Possibly also its inconclusive character may have operated in the same direction; at any rate, after a casual notice in the press it seems to have been dismissed, and to all intents and purposes forgotten.

That it destroyed many hopes previously built upon it is certain. The West Indian Colonists had expected a very definite if not unanimous pronouncement on the part of the Royal Commissioners on the subject of countervailing duties, or some equally practical proposal for meeting the Continental bounty system. True, the Chairman of the Commission, Sir Henry Norman, declared in favour of their adoption in no

unhesitating tones; but his great experience and wide knowledge, which should ordinarily have carried much weight, were neutralised by the declaration of his two colleagues, Sir David Barbour and Sir Edward Grey, in the opposite direction. So far, then, the united efforts of these three distinguished statesmen have resulted in nothing more than the adoption by Parliament of a few minor proposals, calculated to relieve the most pressing necessities of the hour, and to afford some slight stimulus to a few of the minor industries.

It is impossible, however, to read the evidence published along with the Report without feeling that the latter has but touched the fringe of a very wide as well as very urgent question. For this perhaps the Commissioners are not directly to blame, as they were compelled to keep within the terms of their instructions. These appeared wide enough, the actual wording being, "To make full and diligent enquiry into the condition and prospects of our colonies in the West Indies in which sugar is produced, and to suggest such measures as appear to you best calculated to restore and maintain the prosperity of these colonies and of their inhabitants." But this was unfortunately greatly curtailed by a covering letter from the Secretary of State for the Colonies, who interpreted the Commission into an enquiry merely "as to the causes of depression of the sugar industry, what effect its abandonment would have, what industries could take its place, and what subventions are likely to be necessary."

That the Commissioners have almost entirely avoided the difficult political and economic problems which must everywhere have confronted them is scarcely, then, to be wondered at. Yet it is in the right solution of these that the salvation of the British West Indian Colonies really lies; and I have attempted in the following pages to sketch what I believe to be absolutely essential in this respect.

Until very nearly the close of the 1898 Session of Parliament there was a somewhat general expectation that the Colonial Secretary would introduce a more or less heroic measure for the benefit of the West Indies. What shape it was actually to assume nobody seemed very clear about, although it was supposed that it would involve a considerable vote of money by the British Parliament. Any attempt to grant it in the form of direct relief to the planting interest would have met with determined opposition. at a time, too, when the Government was already the object of a good deal of animosity. Whatever may have been in the air, counsels of moderation ultimately prevailed, and the final steps amounted practically to nothing more than the completion of the suggestions made by the Royal Commissioners.

Moreover, some improvement had taken place in the prevailing conditions, which for the time being seemed to obviate the adoption of drastic measures. The price of sugar, which during the early part of 1898 stood at the lowest on record, showed a tendency towards improvement, since considerably accentuated,

until the rise has reached nearly £3 per ton. Nor was this all. The Dingley Tariff, in addition to imposing heavy duties on all imported sugar, penalised produce shipped from bounty-paying countries to the extent of the bounty actually given. Now, unlike the Canadian preferential tariff, to which I shall make allusion later on, this measure had an immediate, and so far as cane-growing countries were concerned, a most salutary effect; for, owing to the temporary disappearance of Cuba as a sugar-producer, the cane crops of the world were little, if anything, in excess of the requirements of the North American Continent. Indeed, omitting Queensland and one or two other places, so located that their crops hardly come into direct competition with European beet, there proved to be a slight deficiency; so much so, that an English firm of refiners, whose boast had always been that they handled nothing but cane sugar, were compelled to relinquish their policy from sheer inability to buy the raw produce on anything like reasonable terms. Cane sugar has, in fact, been diverted to the United States and Canada, and their ability to absorb it all has made the differential duty effective. Taking this at no more than thirty shillings per ton-the average rate of the German bounty-and adding it to the all-round improvement, it is evident that the West Indian planters are obtaining prices well above the lowest, in most cases covering cost, and in some leaving a fair margin of profit.

This, then, is the explanation of a statement made

by Mr. Chamberlain, that just now the abolition of the Continental bounties would be injurious rather than otherwise to our British West Indian possessionsa point which was eagerly seized on by the opponents of countervailing duties. But the reprieve can only be of temporary duration. Within two or three years at the outside, what were once the Spanish possessions, both in the Eastern and Western hemispheres, will be producing sugar at a rate beyond anything known in their past history, and the total output of cane willonce more be far in excess of American consumption. Putting aside any preferential treatment the United States may accord to what are likely to be United States possessions, cane sugar will again have to compete in neutral markets with its rival beet, and its price will be regulated accordingly. No far-seeing man, therefore, would sink capital in cane-growing outside specially favoured or protected areas, on the strength of the present state of things continuing.

But if the policy of the United States causes the British Government at present to remain quiescent in its attitude towards the West Indian Colonies, it is bound at no distant date to stir it up to unprecedented activity. Nobody who knows anything of American energy and enterprise doubts for a single moment that as soon as these are directed to Cuba and Porto Rico, there will be an activity and an expansion to which these islands have hitherto been total strangers. Should the British possessions lying at their very doors continue to jog along in the same

antiquated fashion as heretofore, the contrast will be painfully striking, and the friends and advocates of protection will be provided with an object-lesson such as they have never had the advantage of in the history of the movement. For in the possessions of Protectionist America, all will be bustle and progress, in those of Free Trade England, stagnation and retrogression.

This need not, and must not be. But it will have to be distinctly recognised that the remedy lies more with the mother country than with the colonies themselves. They are handicapped in so many ways; and admitting to the full that their troubles have been partly brought about by the lassitude of their own inhabitants, there still remain circumstances over which they have no control, and without assistance from a strong hand they must continue in the hopeless and helpless conditions into which some of them at least appear to have drifted.

If, as is more than likely, the United States and United States possessions shortly supply the requirements of their own population, what is to become of the produce of the British West Indies? Surely the answer should not be far to seek when we remember that, after all, it amounts to but one-sixth of the consumption of the United Kingdom. Not only have we capacity for all they can send us, but we should be able to afford them a stimulus to double or treble their production. Not by doles and subsidies, but on fair economic conditions, and under free and open competition.

The British West Indies, instead of being the most depressed, should be the most prosperous of British colonies. In Barbados there are two inhabitants to every acre of land; and though this island is undoubtedly over-populated, it has been, and will some day again, bask in the sunshine of prosperity. On an average, one acre of land should easily maintain one inhabitant, and as there are estimated to be in the British West Indies some 22,500,000 acres of cultivable land, not beneficially occupied, the possibilities of expansion can more easily be imagined than described. Leaving British Guiana out of the question entirely, the islands could easily accommodate double their existing population, provided they had some staple as well as stable industry to rely upon. I have endeavoured in the following chapters to show how this may be accomplished.

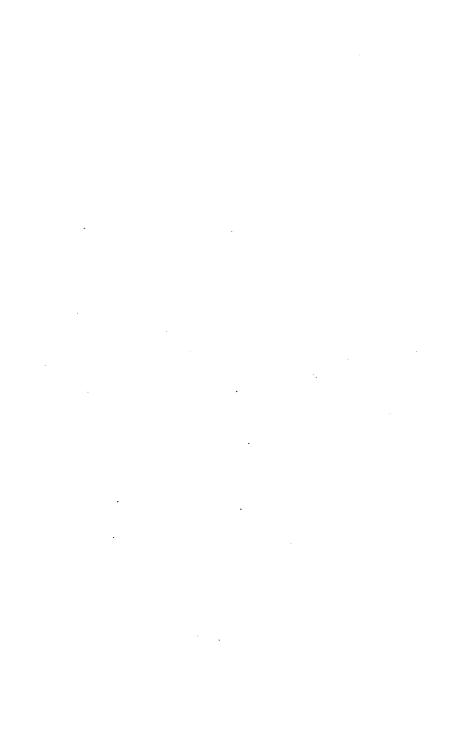
The interest in the question is likely to be materially quickened by the action of the Indian Government in imposing countervailing duties on beet sugar imported from Europe. Already the discussion in the House of Commons and throughout the country generally has waxed hot, and protests have been made against the adoption of such a policy without previously receiving Parliamentary endorsement. To discuss these protests here would be out of place, as they involve political, if not constitutional questions with which this work does not concern itself. One thing must be borne in mind—namely, that the Indian sugar-growers were already to some extent protected

by the 5 per cent, import duty imposed by the Indian Tariff Act of 1894 on sugar, in common with nearly everything else. The development of the policy of countervailing duties is in one respect, however, to be regretted. A somewhat elaborate tariff has been framed to meet, not only each individual country, but each kind of sugar shipped by it, and already in one or two instances protests have been lodged that the rates decided upon exceed the bounties paid. would have been a simpler and more satisfactory plan to establish a universal rate, say of one rupee per hundredweight on raw, and one rupee, six or eight annas, on refined, and leave the Continental nations concerned to fight the matter out among themselves. Most of the beet sugar imported into India is shipped by Germany and Austria, and the actual duty imposed upon their produce is a fraction less than the figures named. They would have been stimulated to put extra pressure on the really offending countries, a task which devolves much more upon them than upon Great Britain.

Finally, let me make an appeal to each of my readers, to remove this question beyond the pale of party prejudice and party conflict. I make it all the more unhesitatingly because I am myself a member and staunch supporter of the party from which hitherto the most determined resistance to any really practical remedies has proceeded. I am proud to think that during a period of national strain and stress, those with whom I am in sympathy abstained, not only from

factious opposition, but often from just criticism of their opponents, when such was calculated to weaken the position of the government in its counsels with neighbours who have too often proved bitter adversaries. By common consent, all colonial questions have now been removed from the arena of party strife, and that is all I ask in the consideration that will shortly have to be given to the future government and welfare of our West Indian possessions.

Personal interests sometimes warp political opinions. I hasten to add, therefore, that I am not now, nor have I ever been, associated in any way with sugar estates or with the sugar trade, nor have my views been influenced in the slightest degree by those who are so associated. My prejudices were all against any legislative economic remedies for the admitted ills of our West Indian colonies, and I am not sure that I did not struggle against the surrender of them. Careful study of every aspect, and almost every circumstance, afforded evidence too convincing to be resisted; and if former opinions on this subject have undergone modification or change, it has been because I could no longer honestly adhere to them.



CONTENTS

CHAPTER I.
THE DECADENCE OF THE WEST INDIES.
General want of interest—Withdrawal of resources—Neglect of proprietors.—Effects of the abolition of slavery.—Declining profits on sugar.—Extravagant financing.—Absence of proper facilities.—Reductions in wages.—Influence of bounties.—Changes in cultivation.—West Indian and United States negroes.—Colonial trade statistics.—Machinery imports . 1-24
CHAPTER II.
THE MORAL AND SOCIAL CONDITION OF THE PEOPLE.
Origin of the West Indian population.—Deceptive appearances. —Wages.—Increase of task-work.—Crown lands and small holdings.—Negro characteristics.—Illegitimacy.—Health.—Sanitation.—Medical relief.—Crime.—Litigation.—Education.—Curtailment of necessary public works.—Government work and low wages
AV

CHAPTER III.

THE CAPABILITIES OF THE SOIL.

PAGES

Revolution in Sugar-production.—The position in the West Indies.—Can Sugar be grown there under economic conditions?—Relative cost of production,—Value of bye-products: rum and molasses.—Cocoa cultivation.—Dangers of too rapid extension.—Coffee: great fall in value of common descriptions.—Arrowroot.—Lime fruit products.

—Tropical fruits.—Extension of culture in Jamaica.—Possibilities elsewhere.—Home food products.—Rice: its cultivation in British Guiana.—Native fruits and vegetables.

—Climatic conditions.—The labour question.—Health considerations.—The retention of Sugar absolutely necessary.

CHAPTER IV.

THE GROWTH OF SUGAR-PRODUCTION.

CHAPTER V.

THE FUTURE OF THE WEST INDIES.

Interests involved in the Sugar question.—Treatment of Sugar colonies.—Evils of subsidies.—The real grievances untouched.—Commercial relations with United States.—The necessities of the situation.—Meeting the bounties.—

xvii

CONTENTS.

PAGES

Central Sugar factories.—Taxation.—Amount of revenue raised; its unfair incidence,—Effects on the coloured population.—How the money is expended.—Extravagance of administration.—Charitable relief and criminal jurisdiction.—Reforms demanded.—Income tax.—Land and house taxes.—Popular representation.—Restricted franchises.—Federation.—Uniformity in fiscal systems.—Coolie immigration: its financial and moral consequences.—Railway extension.—Increased financial facilities.—The intrinsic value of the West Indies.—Comparison with other British colonies

CHAPTER VI.

COUNTERVAILING DUTIES.

THE BRITISH WEST INDIES

AND THE

SUGAR INDUSTRY.

CHAPTER I.

THE DECADENCE OF THE WEST INDIES.

General want of interest,—Withdrawal of resources.—Neglect of proprietors.—Effects of the abolition of slavery.—Declining profits on sugar,—Extravagant financing.—Absence of proper facilities.—Reductions in wages,—Influence of bounties.—Changes in cultivation.—West Indian and United States negroes.—Colonial trade statistics.—Machinery imports.

THE knowledge that nearly the whole civilised world has been advancing rapidly in prosperity and general well-being only intensifies the regret that must be felt at the falling back of any one portion of it, however isolated and insignificant it may be. To Englishmen, regret develops into mortification when it is realised, not only that this particular portion forms part of their own Empire, but that it is naturally endowed, above most others, with all that should promote contentment, if not actual wealth. Whatever decadence there may have been, therefore, is

distinctly due to human agency or mismanagement, and capable consequently of amelioration, if not of entire removal.

Though neither isolated nor insignificant, the West Indies have been greatly overlooked in the activity of Empire-building throughout the world. Expansion has been the watchword for many a year past, and in the oldest of our British colonies there is not supposed to be room for very much. British Guiana, it is true, has only yet been colonised on its skirts, and those who know the country best are never tired of proclaiming its internal resources, a sample of which we have had evidenced by the gold production. But after all, the area of British Guiana is only about equal to that of Great Britain, and what is this when compared with the boundless expanses of Australia, of Africa, and now possibly of China? And if such be the case with the largest of these colonies, how utterly insignificant must those appear which cannot boast of an area equal to the smallest of our English counties, and which, being on all sides sea-bound, are absolutely incapable of extension! And even with the desire to bring more territory in this part of the world under the British flag, other obstacles would block the way; for though the Monroe doctrine has never been acknowledged, much less subscribed to by any European Power, it is nevertheless a very potent factor in the foreign politics of the Western Hemisphere.

But the principal cause of neglect remains still to be stated. Few people are fond of spoilt children, and when they grow up and have to take care of themselves their demands are often so extravagant as to

raise against them a feeling of dislike which they are not slow to resent. For a century or more after sugar came at all into general use, it was a luxury, maintained at extravagantly high prices for the benefit of a limited number of West Indian proprietors. When, therefore, these proprietors, or their descendants and representatives, give vent to bitter complaints that they are ruined by the low prices to which sugar has now fallen, the first question asked of them is not. What causes have produced the fall? but, What has become of the magnificent fortunes made in past years, and of the £16,500,000 paid as ransom for the slaves? If sugar is now artificially and unnaturally cheap, the consumer is after all only averaging the years when it was artificially and preternaturally dear; and on the whole he has still a big debit balance to wipe out.

When people intimately associated with the fortunes of the West Indies and the sugar industry complain of the selfishness and neglect of their fellow-countrymen, they rarely remember that after all they are only being repaid in their own coin. Whoever heard of a sugar-planter, fifty or sixty years ago, suggesting that some of his own enormous profits should go towards reducing the cost of the article he produced? Secure, as he imagined, in the continued care of a paternal government, he staked his all on sugar, and, as many an abandoned plantation affords ample evidence to-day, neglected the coffee and other subsidiary industries yielding a fair profit, in order to devote his entire energies and capital to the more lucrative sugar-canes.

But beyond all this, the old familiar cry of "Wolf,

wolf!" has been so often repeated, that now, when he is really at the door, there is a strong disinclination to believe it. Since the days of slave emancipation, upwards of sixty years ago, "ruinate" has been the perpetual adjective employed in the description of the West Indies. There are many who think, but few who dare give utterance to the thought, that the one thing needful to-day is a return to slavery; and in at least two of the colonies, British Guiana and Trinidad, where the system of coolie indenture is rife, something very closely approaching it not only still holds sway, but its extension is persistently demanded by the planting interest.

As a matter of fact, the seeds of decadence were sown in the West Indies long before the abolition of slavery, though that event undoubtedly stimulated their growth. From the first year of discovery, the Antilles were regarded as a source of wealth for the European citizen who should be fortunate enough to acquire concessions or patents from the Crown, first of Spain, then of France and England. In their haste to grow rich, the Spaniards destroyed the native races, not so much by massacre as by the imposition of tasks to which they were unaccustomed and totally unable to perform. To fill up the void, the hardier African negro was imported and maintained as a slave; and as territories and estates changed hands by conquest or by purchase, the human property upon them was transferred, along with the other chattels. The negro became speedily acclimatised in his new home, and proved, under a tropical sun, equal to a burden from which the white labourer would shrink in a

temperate zone. And to-day, if he will—and it often is so—he can perform a similar task; and amid the general wreck, he at least shows little decadence in strength or capabilities.

The high-minded and generous patrician, no less than the bullying plebeian tyrant, have always experienced intense pleasure in the control over, if not the actual possession of human property. Under the former, the slave lacks nothing but freedom-still the dearest thing on earth; under the latter he exists in a perpetual hell, until a kinder fate releases, or death claims him. To both these classes the West Indies offered the attractions of a permanent home, with the result that an influential and comparatively wealthy residential white population became a recognised part of the settled order of things. This did not, however, add very materially to the permanent wealth of the West Indies as colonies, nor build them up to contend against future adversity, as happened under similar circumstances, say in Canada and Australia. Accumulated wealth was remitted for investment in England, or at the best was sunk in such cultivated estates as might be in the market. The vendor might receive £20,000 for a property which a few years earlier was worth no more than half the sum : but the very fact of a sale meant in all probability that the proceeds were to be transferred to some other sphere, and the West Indies were thus left poorer rather than richer by the transaction.

Even the bulk of the everyday requirements of the white residents, to say nothing of their luxuries, were imported from abroad, and constituted a drain upon resources rather than an addition to colonial wealth. The last thing upon which any one ever dreamt of spending money was public improvements or institutions from which the commonwealth, as distinct from the individual, would be the gainer; and only very rarely is there evidence of an act of philanthropy.

The principal proprieter in the island of St. Vincent died in 1877, and left a very large fortune, derived almost entirely from his sugar estates. £200,000 of it was distributed by his executors among London charities and hospitals, and a paltry £10,000 for the endowment of a ward in a hospital was all that was considered necessary to leave to the place whence all this wealth was derived. Yet this is one of the most generous benefactions recorded in the West Indies in which the black population can claim any share. An Antigua witness puts the case very forcibly, but not too strongly, when he says, "There has never been any attempt in the palmiest days of the staple Sugar, to establish any ennobling institutions of any kind, however simple." * Indeed, the all too prevalent opinion among the white settlers seems to have been only too well summed up by a Church of England clergyman in St. Kitts, who thought that "free medical attendance and a free coffin " was about all the peasant had any right to look for.†

The emancipation of the slaves wrought a revolution. After centuries of servitude it would, indeed, have been surprising had they not more or less abused their newly acquired freedom. For the first time in their lives they enjoyed the right of doing nothing, and

^{*} Appendix C, vol. iii., page 196. † Ibid., vol. iii., page 218.

they exercised it, often to its fullest extent. In a climate of perpetual summer, clothing or artificial warmth of any description is naturally at a discount, while even shelter from the tropical rainfall can at a pinch be dispensed with. Nature provides food in such abundance that, with the single exception of the island of Barbados, which is intensely cultivated, the means of subsistence is procurable by any one who chooses to squat on a plot of unoccupied land. The prophecies of the planters were fulfilled beyond their own anticipations, and, disgusted at the new order of things, one after another transferred himself, his family, and his establishment, to more genial surroundings, leaving his interests to the care of an attorney or agent.

Thus very little of the £16,500,000 of emancipation money ever found its way to the West Indies, and the portion of it that did get there was more than counterbalanced by the withdrawal of capital and circulating balances of departing residents. The islands were impoverished rather than enriched by this great act of justice, and had the British Parliament fulfilled its whole duty, it would have voted another £20,000,000 to the liberated slaves to provide them with the means of starting in life. It would in all probability have been mistaken generosity, because the negroes, ignorant of the best uses to which the money might be put, would sooner or later have allowed it to percolate into the pockets of the more unscrupulous planters.

From this blow neither the islands nor the mainland of British Guiana have ever fully recovered. The people occupying the highest social positions, or

possessed of the greatest wealth, were naturally the first to quit, but they were speedily followed by those lower down the scale, with the result that the list of absentee proprietors swelled almost every year. But the sugar industry itself was by no means played out, and if fortunes were not accumulated so rapidly, the incomes derived from the estates were at least sufficient to induce the owners to stand by them.

Ample evidence was afforded to the Royal Commission that properly managed and unencumbered estates paid well until quite recent times. The cultivation of a Barbados estate of 455 acres was taken over a few years ago by the proprietor, because the lessee was no longer willing to pay the annual rental of £800. reduced not very long before from £1,200.* Another Barbados proprietor mentioned that the average profit made on his estate in the ten years, 1872 to 1881, was £5,800 per annum.† Three small estates in St. Kitts, the largest of them five hundred acres in extent, yielded a profit, as recently as 1892, of £2,400, and in 1894 of £1,700, falling away in 1895 to £166, and said not to have shown any recovery since.‡ Another witness largely interested in Antigua as well as St. Kitts, stated that "Even with the low prices, our estates have shown a fair profit until the last year or two." § And the largest concern of all in the West Indies, the Colonial Company, whose estates are located in British Guiana and Trinidad, while unable to make any return to its ordinary shareholders for many years, has met its debenture interest at the rate of 5 to 6 per

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* Appendix C, vol. ii., page 178. ‡ Ibid., vol. i., page 85. † Ibid., vol. i., page 84. § Ibid., vol. i., page 84.
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cent. on upwards of £250,000, and, until 1894, paid a further 6 per cent. on nearly £150,000 preference capital in addition.

The fact that so many proprietors removed to England, instead of living on their estates as formerly, made less difference to the West Indies than would appear on the surface, because so much of their income had always been spent abroad; and the most notable effect would be in the increase of the supply of labour through the ranks being swollen by many who had occupied the positions of menials and personal attendants. But that the balance was against the colonies is certain, and it ought not to have been difficult to perceive that unless the economic conditions underwent a radical transformation, they were bound to continue slipping down the hill.

Though the grant of freedom was all the British Parliament did for the negroes, the indemnity of £20,000,000 was by no means the full concession to the planters. The latter urged that they could no longer produce so cheaply as countries where cultivation was still carried on by slave labour, and differential import duties were established in their favour, which continued to ensure them a profitable market. The eventual extinction of these raised an outcry almost as loud as against the abolition of slavery; yet the sugar industry continued to thrive, and the disasters which continually befell were for a long time due to other causes than the unprofitable price of sugar.

For, as we have seen, unprofitable the cultivation was not. The trouble arose from the fact that profits were declining, and all sorts of charges and settlements had been given on estates on the basis of their former prosperity. Much the same experience has been gone through on many an English agricultural estate in recent years, where jointures and settlements have eaten up more than the net rental, and the unfortunate owner, if not possessed of other sources of income, has been to all intents and purposes a pauper. Only the process in the West Indies has been more complicated, and has frequently involved more than one set of persons in common ruin, and resulted eventually in the abandonment of some of the most fertile land on the face of the earth.

This has largely arisen from the method of financing generally adopted. West Indian estates, unlike English ones, are invariably cultivated by their owners, or perhaps it would be more correct to say on owners' account. The outlay on sugar cultivation is principally for labour, and must be regularly met, while of course it is not recoverable until the crop has been harvested, marketed, and sold. Wealthy proprietors have always been able to meet these preliminary demands upon them; but with many, want of means or of inclination has compelled a resort to other systems. This provided an opening for the class of West India merchants located in London, Liverpool, and Glasgow, who granted the estates credits against their prospective produce. The rate of interest for such advances-5 or 6 per cent.—was not in bygone days excessive; but this was only the beginning of the charges incurred. The borrower was bound by agreement to consign his produce to the lender for sale-not an unreasonable stipulation; and the commission charged was generally 21 per cent. He was further compelled to purchase such stores as might be required for the estates through the same channel, and these carried another 5 per cent, in addition very often to a profit on the actual price of purchase. Handicapped in this way, a considerable profit on actual cost of production was absorbed before anything passed to the nominal owner.

All proprietors in need of financial assistance, whether resident or absentee, were subjected to these extortionate charges. There are not, and, except in British Guiana, never have been, any proper banking facilities in the West Indies which would enable business to be conducted on economic principles. One institution has monopolised financial affairs, and its methods have always been more those of the last century than of the one just drawing to a close. Its charter-which could always have been modifiedforbade it taking the class of risk which has long been the basis of the prosperity of almost every modern and well-managed banking institution-namely, the financing of business men in legitimate business undertakings. In proof of this, one witness, in giving evidence, said:

"If I owned the best estate in any of these places, and went to the manager of the bank and said I had a crop of five hundred hogsheads of sugar, and wanted an advance on a crop warrant or a mortgage, the manager would say that their charter does not allow them to advance on land or on crops. They consequently make you, if you want advances, get another name and borrow the money on personal security-on bills. In other words, they are bill brokers; they give no facilities whatever." *

^{*} Appendix C, vol. i., page 109.

Any planter, or merchant, then, requiring an advance of more than the most temporary character is compelled to look for it beyond the colony, though the bank profits before the deal can be consummated, inasmuch as it is the sole channel of transmission, and never omits to charge for the most trivial service.

It is, in fact, little more than a note-issuing and exchange bank, and as unwilling as unable to make any advances on property, whether moveable or immoveable. The utmost it undertakes is to discount the personal notes of borrowers, who must, of course, be recognised as men of substance, before any dealings are entered into; and then the rate of interest is from 8 to 10 per cent. : while of the funds employed for this purpose, £500,000 on an average is tax-payers' money, standing at the credit of the various governments, and £200,000 or £300,000 more represents the proportion of the note issue, against which there is no metallic reserve. The small shopkeeper or trader of limited means has been compelled to resort to the local usurer, or strain his credit with those to whom he is indebted, unless, indeed, he happened to have some small savings on deposit with the bank, bearing 2, or at the most 3 per cent, interest, when the institution would be prepared to discount his personal note on the strength of it at 10 per cent.

Needless to say, this Bank is the one purely West Indian institution which has continued to pay its proprietors handsome dividends drained from the scanty resources of the colonies, and for years maintained a steady 10 per cent., until for 1897 and 1898 it was compelled to reduce the rate to six. It may point

with some show of justification to the fact that it remains perfectly solvent, while its only serious rival, conducted on more modern methods, is struggling through the deep waters of adversity; but it has, nevertheless, much to answer for in the state of destitution to which its preserves have been brought. Secure in its monopoly, owing to the limited as well as scattered field of its operations, it has pursued an absolutely selfish policy, refusing the only facilities which can foster and render enterprise successful.

Even it at last has fallen on evil days. Though its solvency cannot for a moment be questioned, the knowledge that its assets consist very largely of promissory notes and bills receivable, alarmed many of the shareholders, who feared that a serious crisis in the West Indies would render some portion of these very doubtful security; and its shares, consequently, are quoted at a discount.

While profits in the West Indies were high, all this was of comparatively little consequence. But even in the palmiest days of Sugar, the islands were subject to recurring visitations of hurricane, flood, and drought, which wrought endless destruction, and frequently resulted in crop failures. To those dependent for their incomes upon their estates, this became a serious matter, and if the storm resulted in actual loss, they had no means at their disposal to meet it. If the merchant were generous, he would allow the balance to stand over till the following year, on the chance of recouping himself; otherwise it was necessary to mortgage the property and create a fresh lien. It is perhaps hardly necessary to carry the illustration further, as it must

be evident that, pursued long enough, such a policy would break the Bank of England itself.

Meanwhile, the results upon the internal conditions of the West Indies became more and more disastrous. Fresh economies had continually to be introduced; and where labour is without organisation of any kind, it has invariably to bear the first brunt of such. For a long time the actual remuneration for a day's work may not have been reduced; but the task was gradually increased, which was equivalent, not only to a reduction in the scale, but also to a diminution in the total demand, inasmuch as the labourer who worked twelve hours for his day's pay, instead of eight, would only secure two days' work where he formerly could count on three—that is, supposing his labour under the altered conditions to be equally efficient. Not only was economy in cultivation enforced, but that worst of all parsimony, refusal to invest fresh capital in necessary improvements and modern appliances, was very generally adopted, until the majority of West Indian sugar estates are now the most backward of any in the world.

Under such conditions, it cannot be considered surprising that first estate owners, and then estate financers, became bankrupt; and the succession of failures which for the past twenty years has periodically startled the commercial world, has been little more than the natural outcome of an antiquated and rotten system.

The state of affairs here portrayed is amply sufficient to account for the decadence of the West Indies, and is undoubtedly the primary cause. That it has been aggravated by the bounties granted to beet-growers by Continental governments goes without saying, though it is a mistake to put this in the forefront, as is invariably done by every one interested in the sugar industry. Bounties were the outcome of pure accident, and though they have wrought untold mischief in more ways than one, it is unfair to lay the whole, or indeed any great part, of the blame on the governments paying them, on the ground that they have sought thereby to ruin competing cane-growers.

Briefly, bounties had their origin in mistaken calculations of the amounts payable as internal or excise duty. I have gone fully into their history and incidence in another place,* and need not now repeat it. Sufficient to say that the improved methods of cultivation and manufacture resulted in an increasing bounty on export, which in turn encouraged the growers; and when Germany, followed by other countries, altered the method of levying the excise duties, and granted a small extra payment or drawback on export, it really amounted to a considerable reduction in the bounty, without, however, entirely abolishing it, as would have been done but for the protests of the farmers, who had so widely extended their cultivation under its stimulus, and who might have been ruined by its sudden and total abandonment.

The annual sugar production of the West Indies has not lately afforded very much evidence of the decay of the industry. Everybody knows, however, that the consumption of sugar throughout the world has enormously increased during the last ten or

^{*} Tariff and Trade, chapter vii.

fifteen years, and is still expanding, while the production of the British West Indies has remained at a standstill. And there can be no doubt whatever that, had even this stationary production depended on local capital and effort, it would by this time have wellnigh ceased. The maintenance of the industry has been due almost entirely to wealthy absentee proprietors, who faced each crisis as it arose, and by Large expenditure of capital introduced every economical improvement in both cultivation and manufacture. This feature is especially noticeable in British Guiana and Trinidad, which now export more than half the total yield of the whole of the Colonies, while the value is proportionately still greater, owing to the disappearance of low-class sugar and the substitution of the highest grades, very often suitable for direct consumption without going through any further process of refining, as witness, for instance, what are known as Demerara crystals.

The value of machinery for sugar estates imported into British Guiana alone within the last twenty years exceeds £2,000,000, and one firm owning large estates there, which yielded a profit during the fifteen years 1881-95 of £150,000, claim to have expended on capital account upwards of £225,000, or 50 per cent. more than the entire net earnings.

On a smaller scale improvements have taken place in Barbados; but though the quality is better in consequence, no attempt has yet been made to introduce the factory system, without which it is impossible to produce the better grades. On the other hand, many of the islands cling tenaciously to the most antiquated methods, and in such fertile spots as Antigua and St. Kitts, the old cattle- or wind-mills are still found working the most primitive machinery capable of extracting the juice from the cane.

In this instance, therefore, absentee proprietorship, which usually proves a curse to the country subjected to it, has been the means of salvation. Yet it will not do to commend the principle. For it must be remembered that these same proprietors have in former years drawn immense fortunes from the various colonies, which, if allowed to remain and fructify, would have provided an ample reserve to fall back upon in the evil days. And though they are to be commended for their enterprise, it has also to be borne in mind that each fresh outlay has been with the principal object of insuring earlier ones, and only indirectly of saving the colonies from ruin. Nor have they gone without some reward, for, as we have seen, over a term of years there has been a moderate return on the capital invested, though not what might be fairly expected from industrial undertaking. What is really at stake at the present moment is the almost total loss of the capital invested, as, should estates be abandoned, the amount expended for machinery and improvements would be irrecoverable, and the land itself become derelict.

Against this threatened catastrophe West Indian proprietors are to-day struggling, and every right-minded man must wish them success in their efforts. In whatever respects many of them have failed in their duties in the past, the present is hardly the time for recrimination, and they are at least entitled to what-

ever help can be afforded on sound and economic principles.

Before passing away from this part of the subject it will be interesting to contrast the present position of the British West Indies with that of the Southern States of the United States of America.

The prosperity of both was formerly believed to be bound up with the maintenance of a system of negro slavery. In the West Indies this inhuman system was abolished, not only without bloodshed, but with the provision of a large indemnity to the disinherited proprietors. Thirty years later the slaves of the Southern States were freed, after a bloody civil war, and without the payment of a cent to their owners, most of whom were hopelessly ruined in consequence, while the impoverished country had to bear more than its full share of the burdens entailed by the conflict. Yet to-day these same Southern States are not only prosperous, but are advancing with more rapid strides than any others in the Union. Wherein lies the difference between them and the British West Indies?

The emancipated West Indian negroes found themselves friendless. Their former masters possessed no legal claim upon them, but, cooped up in small islands, they were still practically at their mercy, and dependent upon them for almost everything not provided by nature. Physically they were free, morally they were still in bondage; and almost every act of government was aimed at depriving them of the rights which as freemen they were entitled to enjoy. For sixty years the local legislation of these colonies has, with rare exceptions.

the planting community, totally irrespective of the effects upon the labouring population.

The freed United States negroes found behind them the support of a powerful political party, which for many years subsequently controlled the destinies of the Union. It became a point of honour with those constituting it to see that their new allies were free men in fact as well as in the eyes of the law, and gross oppression, much less revenge, became at the time wellnigh impossible. The field thrown open to them was far wider than the States in which they had been enslaved, and they were even welcomed in distant parts of the land. Nominally, they possessed every right enjoyed by their white brethren; practically, they exercised only a portion of them.

The American negro, finding that the fruits of his toil were henceforth to be his own, buckled on his armour, after a short spell of idleness, and became a far more diligent labourer than his West Indian brother. True, there was more reason for it, as nature has not provided so bountifully for him; but his dreams of freedom began soon to be realised, and often he found his most sanguine expectations exceeded. Ready, not only to labour, but to turn his hand to anything that offered an adequate remuneration, he has, in little more than thirty years, helped to restore the Southern States to more than their former prosperity, while at the end of sixty the West Indies have fallen into a deeper rut of depression than they have ever yet experienced. The relative position was very fairly summed up by one witness who, referring to the island negro, said: "He has to cross over to the United States to have his eyes opened and his intellect brought into play; and when he does go, he finds himself not only a labourer, but a man."* Unfortunately there is a tendency at present to retrogression.

This lesson is further emphasized by the varying conditions of the West Indian Islands themselves. The report of the Commission singles out Jamaica as somewhat of an exception to the general experience, and this is confirmed from independent sources.

On several occasions in recent years the Governors, in addressing the members of the Legislative Council, have congratulated them on a return of something like prosperity to the island. Public opinion assigned the cause of this difference to the gradual substitution of other industries for sugar; but this is after all only secondary. For in Jamaica, the negro has more nearly attained to the freedom of his United States brother than in any other island. There has been room for him to exercise such abilities as he possessed, and to such an extent has he availed himself of his privileges that, with a total population of 700,000, there are no fewer than 93,000 separate holdings of land, of which 72,500 are under five acres. The peasant proprietor has cultivated whatever paid him best, hence the diversity of crops now raised in the island; for many of the large proprietors have imitated the example set by their former slaves. To this, and not to the decline of the sugar industry, must be attributed the happier conditions existing in the most important of our West Indian possessions.

How real is the general depression is amply proved

^{*} Appendix C, vol. iii. page 195.

by their foreign trade statistics. If prosperous, exports should be considerably in excess of imports, because all the colonies have debts, the interest on most of which is payable to investors at home, while the absentee proprietors require their interest and profits to be remitted, when there is anything of the sort. Of course, there may be contrary movements to reverse this natural flow. Capital may be freely invested, and imported as machinery or other productive commodities. Naval and military expenditure on behalf of the home government, or the provisioning of merchant ships on their voyages, may profitably introduce considerable sums of outside money. But though these sources of income do exist, they are very limited, and by no means account for the heavy adverse balances shown in the following tables, the principal explanation of which is to be found in the enforced remittances of proprietors for the upkeep of their estates.

AVERAGES FOR	IMPORTS.	EXPORTS.	FAVOURABLE BALANCE.	ADVERSE BALANCE.
JAMAICA:-	£	£	£	£
1882-6	1,455,254	1,418,292	-	36,962
1887-9	1,538,514	1,650,808	112,294	_
1889-91*	2,188,937	1,902,814		286,123
1891-2†	1,759,890	1,722,096	-	37,794
1892-3	1,941,481	1,759,807	-	181,674
1893-4	2,157,795	2,075,689		82,106
1894-5	2,191,745	1,921,422	-	270,323
1895-6	2,288,946	1,873,106	-	415,840
1896-7	1,856,378	1,470,241	-	386,137
1897-8	1,660,667	1,448,443	-	212,224

* September 1889 to March 1891.

[†] Official year ends 31st March from this onwards.

AVERAGES FOR	IMPORTS.	EXPORTS.	FAVOURABLE BALANCE,	ADVERSE BALANCE.		
BRITISH GUIANA (exp	orts include	bullion):—				
	1	1	£	£		
1882-6	1817 106	2,469,217		20		
1887-91	1,845,496		623,721			
1892-3*	1,717,579	2,276,174	558,595			
1893-4	1,780,319	2,433,213	652,894			
1894-5	1,920,710	2,358,918	438,208			
1895-6	1,668,750	2,039,901	371,151	_		
1896-7	1,443,553	1,769,500	325,947			
1897-8	1,341,710	1,899,457	557.747	_		
Tp. 1097-0	1,282,976	1,783,764	500,788	_		
TRINIDAD (inclusive	of transit	and re-ex	port trade,	but exclu		
sive of bullion and	specie):-					
1881-5	1,653,027	1,614,378	1	38,649		
1886-90	1,676,400	1,748,276	71,876	_		
1891-5	1,910,367	1,836,426	_	73,941		
1896	2,188,309	1,896,748	-	291,561		
1807	1,992,837	1,823,818	_	169,019		
BARBADOS :-	-19921031	1,023,010		-		
1883-7	1,009,788	1,053,452	43,664	-		
1888-92	1,122,555	1,009,878	4574	112,677		
1893	1,372,537	1,243,082	_	129,455		
1894	1,279,335	984,511		294,824		
1895	956,921	587,298		369,623		
1896	1,048,887	758,228		290,659		
1897	1,008,699	736,163	_	272,536		
GRENADA :-	1,000,099	1301103		-1-133		
1882-6	136,701	190,055	53,354	-		
1887-91	165,502	229,150	63,648	_		
1892	158,702	264,681	105,979	_		
1893	166,878	316,063	149,185	_		
1894	196,998	189,614	-451-03	7,384		
1895	175,712	172,020	_	3,692		
1896		183,883	29,478	3,092		
1897	154,405	154,439	291470	9,917		
St. Lucia:	164,356	134,439		313-1		
			6 107			
1882-6	137,435	143,932	6,497	77.006		
1887-91	171,481	156,175	6000	15,306		
1892	173,025 168,978	179,056	6,031	-		
1893	168,978	221,646	52,668	_		
1894	187,542	191,623	4,081	17.056		
1895	154,945	137,869		17,076		
1896	190,534	136,295		54,239		
1897	245,253	154,267	-	90,986		

^{*} Official year ends 31st March from this onwards.
† This increase was no doubt due to government expenditure on fortifications.

AVERAGES FOR	IMPORTS,	EXPORTS.	FAVOURABLE BALANCE.	ADVERSE BALANCE.
Antigua:—	£	£	£	£
1882-6	161,785	198,000	36,215	
1887-91	164,102	198,640	34,538	_
1802	188,365	244,743	56,378	
1803	178,931	199,870	20,939	_
1894	157,631	170,223	12,592	_
1895	144,864	87,125	-	57,739
1896	135,627	130,361	_	5,266
1897	110,188	117,202	7,014	_
St. Kitts: Nevis:-				
1882-6	196,074	231,581	35,507	
1887-91	174,038	218,402	44,364	
1892	181,532	229, 182	47,650	
1803	184,192	273,799	89,607	_
1894	192,701	225,524	32,823	_
1895	172,281	140,542		31,739
1896	185,214	119,787		65,427
1897	135,921	149,204	13,283	
St. Vincent:-				
1882-6	123,092	127,375	4,283	
1887-91	90,668	99,122	8,454	
1892	102,981	117,571	14,590	
1803	93,423	114,693	21,270	
1804	91,009	87,374	<u> </u>	3,625
1805	64,842	68,690	3,848	
1896	71,490	67,392		4,098
1897	70,824	68,935		1,889
Dominica ;—				
1882–6	60,826	56,008	_	4,718
1887-91	54,293	43,772		10,521
1892	61,303	46,165		15,138
1803	64,552	53,752	_	10,800
1894	62,643	42,665	_	19,978
1895	69,789	39,471	_	30,318
1896	64,447	51,438	_	13,009
1897	54,074	47,416	_	6,658

However much the individual colonies may vary in their comparative affluence or adversity, there is one note running through them all, and that is, they have been going backward. The case of Barbados, indeed, would appear for some years past to have been wellnigh desperate, though the adverse figures are slightly modified by the estimated expenditure of about £50,000 per annum on behalf of the Imperial troops located in the island, and by a further £20,000 calculated to be spent by steamers and tourists. British Guiana affords the most favourable return, but the contrast between the earlier and the later period is even more striking than the figures on the face of them exhibit, inasmuch as in the ten years 1882 to 1891 over £1,000,000 of the imports consisted of sugar machinery, very little of which has gone into the returns since. Within a quarter of a century some £2,200,000 of this machinery has been supplied by British capital, the interest and depreciation of which is, in itself, an important item before any profit can be reckoned.

No doubt the decadence we so much deplore must be set down very largely to the false economic conditions so prevalent; and without their removal nothing will ever lead to a permanent restoration of prosperity. To attain so desirable a result, external aid must be added to internal reform; and the direction this must take is now a matter for our consideration.

CHAPTER II.

THE MORAL AND SOCIAL CONDITION OF THE PEOPLE.

Origin of the West Indian population.—Deceptive appearances.—
Wages,—Increase of task-work,—Crown lands and small holdings.—Negro characteristics.—Illegitimacy.—Health,—Sanitation.
—Medical relief.—Crime.—Litigation.—Education.—Curtailment
of necessary public works.—Government work and low wages.

THE aboriginal population of the West Indies is practically extinct. In the island of St. Vincent a few Caribs, the descendants of the race discovered by Columbus and his companions, are still to be found, but with this exception, the coloured population is of African or East Indian origin. The negro made himself at home at once, and thrived and multiplied as much as was possible in a state of bondage. The coolie was introduced only after the abolition of slavery, ostensibly to perform the labour the negro would no longer undertake, actually to keep wages at as low a level as possible; and though he takes longer to become acclimatised, he, too, in the long run, thrives and increases. Inasmuch, however, as, at the end of ten years' service, five of which are under indenture, and five are free, they are entitled to return home free of expense-a privilege of which many avail themselves-the growth of this portion of the population is necessarily curtailed; the limitation is further

intensified by the great disproportion between male and female immigrants, and also from aversion to intermarriage with the negro. Of a total population of something like 1,750,000, less than 100,000 are white; all the rest are either African black, Asiatic bronze, or some indefinable mixture.

Numerically insignificant as the white population is, it rules in undisputed sway, and Government is conducted entirely in the interests of the minority. It is constantly asserted that in this the majority readily acquiesce, though some of the evidence tendered before the Royal Commissioners points in quite the opposite direction. Travellers and writers in the past have united in presenting to the English public a picture of happiness and contentment, and photographs and sketches vie in confirming this satisfactory aspect of affairs. It is not to the interest of the European settler to exhibit the darker background, and when a prominent man like the late Mr. J. A. Froude pays them a visit, care is taken to show only what is creditable.* This, in conjunction with the proverbial hospitality always shown by colonists to strangers, is calculated to leave only pleasant reminiscences; and so almost every writer, from Mr. Froude downwards, has painted the normal conditions of life in the brightest colours.

Many of the proprietors, both local and absentee,

^{*} This historian's well-known love of effect, sometimes at the expense of strict veracity, has rarely been more strikingly illustrated than in the following passage from his book on the West Indies (ed. of 1888, page 78): "The earth does not contain any peasantry so well off, so well cared for, so happy, so sleek and contented, as the sons and daughters of the emancipated slaves of the West Indian islands."

apparently live under the same delusion, and, because there is not more open rebellion, imagine a contentment which does not actually exist. More than one witness before the Commission ventured to suggest that the one great grievance of the coloured population was the evident distress of their masters, caused by the unprecedently low price of sugar, and that many of them were quite willing to work for reduced wages, or even none at all, until the corner was finally turned. Under what pressure of circumstances a reduction of wages came finally to be accepted, and what suffering resulted, was another side of the story subsequently related by those who felt the pinch.

For the first time probably, a clear insight has been afforded into the actual social conditions under which some million and three quarters of the subjects of the British Crown are supposed to live, and actually exist; and if the West India Royal Commission were to result in nothing more, our thanks would at least be due to it for revealing a state of affairs which is both shocking and scandalous, and which must now be for ever terminated.

I purpose confining myself almost entirely to the evidence elicited during the inquiry, and further to eliminate everything upon which doubt has been thrown. All evidence was given publicly and reported in the local press, and this in itself would prove a curb on exaggeration, as subsequent contradiction of any portion would tend to discredit the whole. And, indeed, in more than one instance disclaimers and protests were lodged; but, granting these were warranted, what remains is quite serious enough.

The economic conditions of a labouring population must necessarily be based on the amount of wages they can earn proportioned to their actual requirements. We know, for instance, that the Chinee can prosper on the most miserable pittance, and has, in consequence, earned for himself the bitterest animosity of the labouring world. Between him and the skilled mechanic in Great Britain or the United States, there are many gradations, and the first question which presents itself is, "At what stage does the West Indian peasant come in?"

Left to himself his wants would be few, and were he to lapse into the primitive state of his forefathers, the land and the surrounding sea might provide all he requires, while the trees of the forest and the caves of the earth would afford the necessary shelter. But civilisation makes demands as well as confers privileges, and wherever it is established, the calculation has to be made of the cost it entails. Europe and America having introduced, and then maintained this influence in the West Indies, the responsibility rests upon them of seeing that the cost is fully provided.

A witness in Jamaica, a clergyman, offered a very simple illustration of this:

"They certainly," he said, alluding to the negroes, "dress very differently to what they did many years ago. It was quite the exception then to see any one coming to church with boots on. Now they will not come without them. Those who did wear boots formerly came in their bare feet to within a short distance of the church, and then put their boots on near the door. As soon as service was over they took them off, and walked home with them over their shoulders."*

^{*} Appendix C, vol. iii., page 303.

To say, therefore, that sixpence, eightpence, tenpence, or a shilling, is ample recompense for the day's labour of an adult male in the field or the factory is begging the question. The lowest sum may be too much, or the highest too little, according to circumstances. If the sixpence provides everything absolutely necessary, and leaves a little over for contingencies, there is not a great deal to complain about; if the shilling fails to secure the most ordinary requirements, more must be exacted. Now the day's pay in agricultural employment in the West Indies does vary between these extreme figures. In Barbados, Antigua, and the other islands of the Leeward and Windward Groups, the normal rate is eightpence to tenpence for adult males, sixpence for women, and threepence to fourpence for children; in Jamaica the rate is a shilling, occasionally a little more; in British Guiana and Trinidad nominally twenty-five cents, or 1s. 01d.; but the task imposed is frequently so heavy that more than a day is required to accomplish it, and the actual remuneration may be no more than sixpence.

On this point the evidence of a Barbados witness is interesting. He says:

"The labourer is fearfully underpaid. I have taken surprise evidence from labourers in the outparishes on this score, where sums ranging from eightpence to tenpence are given as the day's wages of an able-bodied man, and from fourpence to sixpence for an able-bodied woman; and in the case of what is known here as farming, i.e. keeping a field clear of weeds, a woman gets tenpence for doing two-and-half acres, and this keeps her a week. In other instances a five-acre field would bring one and eightpence per week; but then the requisition of her children, who may or may not be at school, is called in order to earn the amount. A cane-cutter may not cut as much as he would, as fourpence per hundred holes, and even threepence, is given, and, working from sunrise to sunset, he would fail to earn more than a shilling."*

These rates represent a reduction compared with some few years ago-a reduction, too, very much greater than the mere figures indicate. For eightpence or tenpence the Barbados or Antigua labourer has now to perform a task 50 per cent. greater than he was formerly called upon to do for a shilling. employer of the indentured coolie is bound by contract to pay the twenty-five cents, and can hardly expect to obtain free labour, which as a rule is more skilled, at a lower rate. But he gets out of it through the loophole of taskwork, and the compulsory returns made by many estates show that 20, 30, and as high even as 50 per cent. of the labourers have not earned more than an average of sixpence on the number of days for which employment must be provided. While, therefore, wages in almost every country in the world have been advancing, and in many have doubled within the past quarter of a century, the West Indies bear the unenviable record of having halved them.

Compensation might, it is true, have been afforded in other directions. In Barbados there is a class known as estate labourers, who are more or less regularly employed throughout the year, and are provided with a hut, which, as a rule, is the merest apology for a house, and are sometimes allowed to cultivate ground provisions, or vegetables, for their own use between the cane rows; or if particularly favoured,

^{*} Appendix C, vol. ii., page 219.

they may obtain a little patch of their own, at the rate of anything between £4 and £10 per acre. Barbados is greatly over-populated, and has some eleven hundred and twenty human beings crowded into every square mile, against about two and a half in the corresponding area in British Guiana. There being no industries of any other kind than agriculture, land hunger is the natural sequence, and it is said to be difficult to lay a pocket-handkerchief on a piece of ground which is not cultivated. Thus enormous rental is demanded, and when proprietors are expostulated with for exacting it, their reply is that the facilities it affords for stealing enables the rent to be paid. Then we are expected to express our astonishment and pious indignation at the dishonesty of the negro.

Elsewhere things are not quite so bad; but everywhere the settled policy of the planter is to keep the labourer off the land and so prevent him becoming wholly or partly independent. In most of the colonies there are Crown lands to be obtained either by purchase or on lease. In British Guiana purchases may be made at one dollar, or four shillings, per acre, or land may be rented at five cents per acre per annum; and in Trinidad the price is thirty shillings. In the former colony, however, the minimum quantity obtainable is twenty-five acres, and was, until quite recently, a hundred acres, putting acquisition quite beyond the reach of the coolie or negro who had saved a few pounds. In Trinidad the movement has been in the opposite direction, as five acres were at one time sold as a minimum; but the planting interest succeeded in getting it raised to ten.

And then on small plots the charges of survey and transfer are exceedingly onerous, while the situation is often such as to make them for all practical purposes valueless. Distance from markets, and entire absence of roads, make the most fertile lands useless, as frequently the peasant proprietor needs to supplement his scanty profits by hiring out his labour when not required on his own little estate. In some of the islands large estates have been thrown out of cultivation, which are attractively situated for small culture; but proprietors retain a tight grip over them to keep the peasant off, and so ensure a copious and cheap supply of labour whenever it is wanted.

It is scarcely to be wondered at that, even under such promising natural conditions, and with plenty staring in the face, want and privation should be the prevailing condition. There is land and there is labour, the two most essential conditions of prosperity; and yet something like a conspiracy exists to keep them apart, lest wages should tend to rise, and sugar-planters be placed at a further disadvantage in competing with their rivals. They do not yet appear to have learnt the most rudimentary of all principles, that cheap labour is bad, and consequently dear, labour.

"By their fruits ye shall know them." The most satisfactory test of the sufficiency or otherwise of wages in the West Indies is, after all, to be found in what they have done for the people. That, with the exception of a disposition to petty theft, ineradicable apparently in the negro race, they are law-abiding and peaceable, every one who knows them is ready to confirm. Their fault lies rather in the other direction.

and they submit meekly to wrongs which most other races would actively resent. They make, not only good citizens, but good customers, their love of display inclining them to spend their earnings to an extent which often amounts to improvidence. They are a church- and chapel-going people, and, with the exception already referred to, strive to put into practice the precepts they are taught, in ways that would put many a white congregation to shame.

Yet in spite of all this we are confronted by the unpleasant fact that considerably more than half the births in the West Indies are illegitimate. In the little island of Nevis, one of the Leeward Group, the rate among the black population exceeds 90 per cent. In the still smaller one of Montserrat the average is 23 per cent., the lowest in any of the colonies; and some credit for this is undoubtedly due to an English company, privately owned, which considers the welfare of the population as well as the pockets of its shareholders. In Jamaica, where, as we have seen, there is a fair measure of prosperity, the rate is nevertheless 60 per cent., and among the negro population much higher.

That tradition and habit have something to do with this sad condition of things cannot be denied. In the days of slavery, offspring was one of the sources of profit counted upon by proprietors, and human beings were bred like animals. Under happier conditions the taint has not been eradicated, and concubinage as opposed to marriage is not regarded as open shame. But after full allowance is made for all this, it is still evident that the principal cause is the grinding poverty

of the people. What the ordinary peasant calls his home is rarely anything more than a wooden shanty some eight feet by ten. In this his food is cooked, and he lives, eats, and sleeps, with the rest of his family. Both sexes and all ages are promiscuously intermingled, and the consequences are not difficult to perceive. True, in his present state of depression, he wants nothing better, and often makes matters still worse by stuffing up every aperture, and blocking every avenue of ventilation, and consequently of health. But place him in better pecuniary circumstances, and his very imitative faculties demand an improvement in his miserable surroundings. He may already regard himself as married, but provided he has the money, he wants to be parsoned as well, and thus the legal tie is consummated. As we mount the social negro scale, the percentage of illegitimacy steadily decreases; and while it can never be wholly eradicated, or, within a generation or two, brought down to the more sober limits of other lands, an improvement in the pecuniary position of the people would do more than anything else to reduce the evil to within more moderate bounds.

The causes which produce such gross immorality can hardly be expected to promote the health of a population subjected to them. Venereal diseases naturally figure very prominently in the common ailments, but dysentery and various fevers claim hundreds of victims every year, while the mortality among the infant population is shockingly great, due partly to that indifference to offspring which has little or no legal claim on its parents, and to the neglect of

the mothers, who have frequently nothing to depend upon except what they can themselves earn. Even where fathers recognise the moral claim and stand by their families, the temptation of being able to do better elsewhere is often an inducement to emigrate and leave those previously dependent on them in the lurch, unless earnings leave a sufficient surplus to remit to their old homes without pinching themselves.

The conditions in this respect are distinctly deteriorating, and in Barbados, which enjoys a particularly healthy climate, and is renowned as the sanatorium of the West Indies, the death-rate is steadily on the increase, having advanced from 21.54 per thousand in the decade of 1861-70 to 27.01 in that of 1881-90, and to 28.65 for the quinquennial period 1891-95.

Poverty and disease are twin brethren, and in this instance both are too often aggravated by an almost utter absence of anything like sanitation. The vilest refuse is allowed to accumulate around the doors, or even within the huts, and no public authority has apparently any control in the matter. The water supply is frequently not only deficient, but unfit for use, though of late years considerable sums of money have been spent in several of the islands in improving it. It is to be feared, however, that it has not always been with the view of benefiting the peasantry, but rather of ensuring a supply for the cattle and other live stock belonging to the proprietors, who were subjected to heavy losses in periods of drought. Antigua suffered from such a visitation in 1895, and it is recorded that negroes, almost perishing with thirst, were stoned away from muddy pools, which were

watched night and day in order that their liquid contents might be reserved exclusively for the estate cattle.

It stands to reason that without some sort of gratuitous medical assistance, all but the hardiest of the population would soon succumb, and a vast system of parish medical relief and central hospitals constitutes no insignificant charge on the colonial revenues. Where coolie immigration is at all on an extensive scale. doctors and hospitals are maintained upon, and partly at the expense of, the separate estates, which adds very materially to the cost of such labour. Remembering that Indian coolies are British subjects, the Government has taken every possible care to protect life and health, and it may be doubted if, in some instances. the regulations are not excessively stringent. Were humane treatment absolutely assured from managers and overseers, they certainly would be; but the raw immigrant, with little or no knowledge of what is expected from him, must often be an exasperating subject, and those immediately over him do not as a rule possess an overflowing supply of the milk of human kindness. The coolie is not long in finding his way inside the hospital; and few of them escape, within the first few months of their arrival, a touch of the fever which seems almost necessary to acclimatise them.

It is at a later period, however, that the privilege is apt to be abused, or perhaps it would be fairer to say, used as a set-off against harsh treatment. Medical officers have frequently more than one estate under their charge, and invariably other duties to perform, so that attendance is sometimes limited to one or two visits in the week. Immediately after a visit has been paid, there is frequently a demand for admission to the hospital, which hardly dare be refused, the patient feeling secure of at least two or three days' respite from his labours. Some idea may be formed of the weight of this burden from the figures given on a subsequent page, and the chances are that were one-fourth only of the sum expended, and the remaining three-fourths devoted to an increase in wages, the physical condition of the people would soon show vast signs of improvement. But wages come out of the pockets of planters, while existing systems of taxation fall most heavily on the general tax-payer and consumer, consequently, to the former, the expenditure upon medical relief is by far the more preferable.

There should be little in common between a prison and a hospital, but experience proves that where the latter is very much used, the former claims its full share of inmates. In our own country, accident and disease are frequently the direct result of drink and intemperance; and as these are the greatest incentives to crime, the connection between the two establishments is obvious. Similar, though not the same, reasons are operative in the West Indies; for though rum in various forms is the national beverage, drunkenness is not excessive, possibly because the people cannot afford to indulge in such a luxury. On the other hand, squalor, and dirt, and the resulting disease, are apt to create indifference to offences against the law, while hunger and want are direct instigations to them. A close network of legal machinery is therefore hardly to be wondered at; and though the same

honorary magistracies exist in the West Indies as in the United Kingdom, there are good reasons why they should not be entrusted with too far-reaching authority. Landowners and game-preservers in this country adjudicate and pass sentence on poachers, with an occasional scandal and public protest as the result. As petty theft in these colonies is limited almost entirely to agricultural produce, a landowner is hardly the man to be entrusted with deciding upon the guilt or innocence of the prisoner, or the amount of punishment to be awarded him. Stipendiary officials are consequently appointed, and many of these positions, being well paid, are looked upon as the prizes of the legal profession, just as judgeships are at home. In Jamaica, British Guiana, and Trinidad, they are particularly desirable, the salaries ranging from £500 to £1200 per annum, with the majority round about £750.

Magistrates and prisons are of little use without police to afford them constant employment, so these are provided in adequate numbers, at additional expense. Nor does the evil end here, for an idle population and a busy police-court are always mutually attractive, and too-constant attendance engenders a litigious disposition, which in turn affords ample employment for the petty civil jurisdiction. A negro, who on ordinary occasions is the best of fellows and the most generous of comrades, is ready to go to law over a dispute involving twopence-halfpenny, and, did he only possess the means, would carry his case, certainly to the Court of Appeal, if not finally to the Judicial Committee of the Privy Council. Relatively speaking, an enormous

amount of money is spent—wasted would be the more appropriate word—in these prosecutions and actions, which, if again added to the labour bill, would materially stimulate the honesty of the recipients. The cost of this department of the Executive Government will also be seen in the table given further on.

If I have relegated the question of education to the last, it is not because I fail to appreciate its importance. Could a comprehensive and effective scheme be assured, most of the evils already referred to would work out their own remedy. For educated men and women will not live like pigs; will not, unless predisposed to a criminal career, always be preying on their neighbours' property and committing trivial offences against the law; and will take some pride in maintaining themselves in a decency calculated to promote both health and morality. And though, nominally, some sort of elementary education in the West Indies is compulsory, actually compulsion is a dead letter.

That excellent educational facilities do exist is beyond dispute. There are good schools and colleges with efficient masters, substantial endowments, and a number of scholarships, some of them to the English universities. But these are reserved exclusively for the wealthy, or at least the well-to-do, and what we are concerned with at present is the labouring and coloured section of the community.

If education is compulsory, it ought likewise to be free, and this condition is by no means universal. Most of the schools are under the management of the various churches, though there does not appear to be anything of that sectarian strife and bitterness to which we are growing so accustomed in this country. So far as lies in their power, the ministers of religion seek to inculcate some useful knowledge into the minds of their pupils, without caring very much about grounding them in church dogma. They can do but little, however, with the scanty material at command, and unless they add the duties of juvenile instructor to their ordinary pastoral functions, the chance of the scholars gaining much knowledge is excessively remote. The funds rarely permit the payment of anything but the most niggardly stipends to the teachers, who in consequence are often more fit to be learning in one of the lower standards than giving instruction in them.

Irregular attendance is another evil to be contended against. Want of suitable clothing is sometimes the drawback; but a parent will not often incur the sacrifice of sending his child to school when he can make something by its labour. Nominal penalties are occasionally inflicted, but rarely enforced. They are imposed on the wrong people; and were the employer of such labour made the victim, as he is the real culprit, this difficulty at least would be minimised.

Such education statistics as are available are generally unsatisfactory. To begin with, the amount expended is grudged, and it is to be feared that many members of the Legislative Councils, in looking round for items of retrenchment, fix their glance first of all on the money spent on the schools. The Dominica legislature did actually strike out the whole of the education estimates for 1897. After much protest, instruction in the three Rs has been conceded; more

will scarcely be tolerated, and the West Indies have still to learn what the mother country is only just beginning to grasp, that outlay on education is the best possible national investment.

Then the percentage of attendance is miserably small. The numbers on the rolls fall far short of the actual number of children of school age, and of these rarely more than half are to be found in their places at any one time. In the island of St. Lucia, for instance, there are estimated to be 10,000 children who ought to be receiving daily instruction. There are actually about 4000 on the roll, though there is only accommodation for some 3,250. That is more than sufficient, because only about 100 children put in full time, and the average attendance falls considerably short of 2,500. That is, 75 per cent. of the children of school age are absent every day, and only about 15 per cent. exhibit any pretence to regularity.

Even in Jamaica, where primary education is entirely free, and efforts are made to render it efficient, a very similar state of affairs exists. The official returns for 1896 showed upwards of 100,000 on the rolls; but of these barely 60,000 were in average attendance. The government grant amounts to 16s. 8d. for each child in average attendance, and a special education rate is levied on houses, varying from four to six shilings according to size, towards meeting this very considerable item of expenditure.

The mischief always attendant on half-measures is here discernible to the full. Education can be made a powerful instrument in the promotion of discontent, and the more partial it is, the more dangerous it becomes. The West Indies are not the first place, and will not be the last, where a smattering of learning makes the boy or the girl who has imbibed it revolt against following the humble, though honourable employment of the parents. The boy who can read and write is no longer satisfied to till the ground, but desires an engagement in an office, or at least in a store, where he considers his abilities will be afforded greater scope. These callings rapidly become overcrowded, and though perhaps the rate of wages is somewhat higher than for agricultural labour to those fortunate enough to secure it, the want of employment among a class whose needs are above the average only tends to aggravate the misery and depression. Were every child taught, the most menial office would be regarded as honourable; but while differences exist, there will always remain an aversion on the part of the semi-educated to associate with, or follow the recognised callings of the ignorant.

Such a catalogue of woes as I have detailed is truly appalling. The pity of it is, that little or no attempt has ever yet been made to cope with them. Expenditure on anything but the most necessary purposes of government is resisted by local authorities, for though but a small amount of taxation is paid directly by proprietors, they recognise that indirect sources are already tapped to their utmost capacity, and that further burdens must fall on their shoulders. The most necessary public improvements are vetoed, unless distinctly calculated to enhance the value of estates. In Trinidad, for instance, there are good roads, and even a railway, running through the principal estates

in the island, but in the interior, where excellent Crown lands are on sale at thirty shillings an acre, there is an absence of even the most primitive bridle paths; and on the sale of such lands, government reserves strips alongside for the eventual opening up of roads, and meanwhile the cultivators and lessees have to get to the nearest highways as best they can. The absorption of these Crown lands by labourers is unpopular among the estate managers, and whenever, by their votes or control over the finances, they can render it difficult, they never fail to do so.

The making of roads, not only in Trinidad, but elsewhere, would provide a considerable amount of employment, and thus afford relief to the over-stocked labour market. But this again is exactly what the estates do not want. While there are two men to compete for every job offered, managers can impose very much their own terms, and they dread nothing so much as an equilibrium between the supply and demand of Where sugar is the principal, or, as in Barbados, the sole marketable crop, pressure of work is naturally greatest during reaping time, though even then there is more than sufficient labour. A new water supply was recently provided for this island, but in the interests of the estates it was agreed that operations should cease during harvest time, in order that there might not be an approach to competition for the services of the labourer.

Similarly the island of St. Lucia has now become the principal coaling station in the West Indies, and a regular succession of steamers arrive in the harbour of Castries. As quick despatch is everything, masters and agents give little heed to the interests of planters, and pay good wages for efficient labour, with the result that strong men and women earn as much in loading coal, in a few hours, as they would receive on an estate in a week.

But the British Admiralty are also converting St. Lucia into the principal naval station in that part of the world, and are erecting very important fortifications. Labour for the purpose is abundant, and to obtain the best the contractors offered what was, for the West Indies, good wages. This tended to raise the value of all labour in the island, consequently the planters brought pressure on the Government, and through them on the contractors, to establish a reduction, which was actually done. What an outcry would arise were English farmers so to influence the Government that reductions of wages were enforced in the arsenal at Woolwich or the dockyard at Portsmouth!

It is only too evident that the depressed state and low moral and social condition of the West Indian peasantry is quite as much the work of deliberate purpose as of accidental cause. The negro prides himself on nothing so much as being a free man, and fails to perceive that he is still in a position of abject bondage. The gulf between the two races is as wide as ever, and any one competent to bridge it over has not yet forged the first girder. There are men among the ruling class who have fought in the past, and still fight valiantly in the present, against wrong and oppression; but their voices only echo through the wilderness, and their exertions yield little more result than beating the air. Probably nothing short

MORAL AND SOCIAL CONDITION OF PEOPLE. 45

of external interference will remedy the ills, and the English people will hopelessly fail in their duty if they do not promptly cut out the cancer which is gnawing at the vitals of what were once their most cherished possessions.

CHAPTER III.

THE CAPABILITIES OF THE SOIL.

Revolution in Sugar-production.—The position in the West Indies.—
Can Sugar be grown there under economic conditions?—
Relative cost of production.—Value of bye-products.—Rum and molasses.—Cocoa cultivation.—Dangers of too rapid extension.—
Coffee: great fall in value of common descriptions.—Arrowroot.—Lime fruit products.—Tropical fruits.—Extension of culture in Jamaica.—Possibilities elsewhere.—Home food products—Rice: its cultivation in British Guiana.—Native fruits and vegetables.—Climatic conditions,—The labour question.—Health considerations,—The retention of Sugar absolutely necessary.

THERE are few classes so conservative in their methods as the agricultural. Adherence to antiquated systems of cultivation, long after they have ceased to be economical, is common in almost every country, with the result of great loss, and sometimes absolute ruin to those concerned. Many English farmers realised, only when it was too late, that they could no longer grow wheat on their highly rented and taxed lands in competition with the virgin soils acquired at nominal prices in others countries; and the United States farmer was almost on the point of gaining similar experience when two short crops in succession throughout the rest of the world procured him a respite.

Similar instances of the decline of one agricultural

industry, and the rise in due course of others to take its place, might be mentioned; and in this connection the question naturally occurs whether the West Indian planter has not been too stubborn in sticking to sugar, merely because it has always been the staple product of that part of the world. While the West Indies enjoyed more or less of a monopoly in growing the sugar-cane they were safe enough; but not only have other countries—notably Java, Brazil, Queensland, and still later the Argentine Republic—entered into competition, but what is practically a new source of supply has been introduced in the form of the beetroot, destined, as it has proved, if not to oust its rival, at least to relegate it to the second place.

Though sugar has been produced from the beet for more than a century, fifty years ago it was still quite an inappreciable percentage of the total. But during the latter half of this century it has made a steady advance, and from being some 10 per cent. only of the cane crops, it is now double. This would point to the very natural conclusion that the beet must be a more economical form of sugar-production than the cane; and in face of this, would it not have been wise for the West Indies to have relinquished the competition as soon as possible, and turned their soil, and the energies of their people, to something more profitable?

This is exactly one of the problems the West India Royal Commission was deputed to solve; and if there is anything which the resulting evidence has made clear, it is, that under normal conditions, the British West Indies should still rank among the cheapest sugar-producers in the world. Of course, all are not equally favoured. Barbados, Antigua, and some of the smaller islands belonging to the same group, are, however, whether in the nature of the soil or climatic conditions, evidently designed by nature for this particular industry; and were they equipped on modern principles, and subjected to no unfair competition, they could hold their own against the rivalry of the whole world. A few more favoured spots, scattered here and there, there may be. Small districts in Cuba and Java are said to be capable of producing four or five tons of sugar to the acre-an almost fabulous yield; while Hawaii also stands very high in this respect, though probably due to a large extent to scientific methods of cultivation, backed by the unlimited capital of the American Sugar Kings.

On the other hand, British Guiana occupies a less favoured position, both as regards suitability of soil and initial cost of preparing it for cultivation. All the sugar lands lie along the coast, and many of them were originally below sea level. Costly systems of embankment and drainage, or empoldering, as it is locally termed, have had to be resorted to, the pumping machinery on at least one estate being capable of throwing off a hundred tons of water per minute. Thus a very considerable outlay, such as only large capitalists could afford, has had to be incurred before British Guiana could be made sugar-producing at all; and even now the canes grown are not so rich in juice as those of the neighbouring islands. Indeed, had it not been that the estates in this particular colony were mostly in the hands of wealthy proprietors,

who early saw the necessity of keeping pace with the times, if not of moving a little ahead of them, the industry must have collapsed long ago; and no better proof could well be afforded of the adaptability of the country for sugar, than the fact that up to the present it has fairly held its own against the artificial competition produced by the Continental bounties.

Still, that the soil of the West Indies is specially suitable for the cultivation of the sugar-cane is no more true than that much English land is also eminently fitted for wheat-growing, though this has long been economically impossible. But the question of rent enters into the latter, while it ought not to have very much to do with the former. In Barbados, it is true, there is no uncultivated, much less any unappropriated land, and with so congested a population the value might naturally be expected to be artificial and inflated. But everywhere else there is abundance. Guiana has only 1 per cent. of its lands under cultivation, and with the exception of Barbados, there is everywhere either Crown or derelict land which should be obtainable at a merely nominal rent. On the whole, therefore, rent should not stand in the way; but why these lands are not taken up will be a matter for consideration later on, in so far as it has not already been dealt with.

We may rest assured that the question of cost of production is one that has long occupied the minds of West Indian proprietors, and the most reliable statistics fully demonstrate that on their estates it should be as low, if not lower, than in beet-producing countries. Seasons must necessarily vary, but there

are bad ones in Europe as well as in the West Indies, and if either is placed at a disadvantage in this respect one year, the chances are that it will be favoured the next. The figures are too complicated, and vary too widely, to be of much use to any but experts, and one or two illustrations must suffice. The cost in two of the largest beet-factories in Germany, which produces cheaper than any of the other exporting countries, was respectively £9 6s. and £9 7s. 6d. per ton, in a year when on the best-equipped estates in British Guiana it was a trifle under £9, the latter sugar being worth on the market £1 to £2 per ton more. On one property, indeed, cost has been reduced as low as £8 os. 6d., and on another belonging to the same proprietors to £8 6s. 10d.; but this was altogether exceptional, and can hardly be taken as a fair average. In Trinidad, where the same modern improvements have been introduced, the result is hardly so favourable. £8 17s. 6d. per ton seems to be about the lowest figure recorded, while most estates vary between £9 and £10 in a fair season. Surely this is a sufficient working margin: only unfortunately it disappears when the bounties of £1 5s. to £1 15s. are deducted from the one, without any compensating advantage to the other, which indeed are handicapped by the greater distance, and consequent higher freight to England as the common country of consumption.

Comparison between the other cane-growing islands and the European beet countries is practically valueless, as in the one the processes of manufacture are of a primitive character, and in the other as perfect as science and practical experience can make them. Antigua is regarded by many people as the richest of the cane-producing islands, yet on an average it requires twelve and a half tons of cane to yield one ton of sugar, against only ten tons in British Guiana, nine in Queensland, and about eight in Hawaii; while in the best-equipped Continental factories, a ton of sugar is now extracted from seven to eight tons of beetroot. Nor does the disadvantage end here, for after it is made, the Antigua sugar, known technically as "Muscovado," and requiring to go through a refining process before being fit for use, is worth several pounds per ton less than the Demerara product.

Antigua, and the islands similarly situated, have of course the advantage of a smaller capital outlay demanding returns, than the colonies where, during the past fifteen or twenty years, several millions sterling have been expended on sugar machinery; and until lately they had a further one, which has been the main obstacle to the introduction of improvements. The quantity of molasses obtained as refuse from the Muscovado sugar is very much greater than from the Demerara, for the simple reason that most of the sugar contained is extracted in the latter process. And inasmuch as until quite recently molasses found ready markets, especially in the United States and Canada, the combined value of sugar and molasses approached more nearly to that of the higher grades of sugar. In confirmation of this, the owner of one of the best-equipped estates in Barbados stated in his evidence that "it is perfectly astonishing and disappointing to me to find how well these Muscovado places during the last few years have done, compared with us

with all our expensive machinery."* But with the greatly reduced price of sugar, the demand for molasses has fallen off to such an extent that planters now often find it difficult to dispose of them at any price, and when sales are effected, they are on the basis of something like five cents per gallon against forty cents only a few years ago. So that, despite the great fall in the value of sugar, the additional percentage obtained for the molasses is now less than half what it used to be when the staple product was very much higher.

When the price of molasses in former days was not sufficiently remunerative, they could be distilled into rum on the estates producing them, or sold to others for that purpose. There has, of course, always been, and for that matter is still, a considerable production of rum in the West Indies, but in most places it has now become, if anything, rather less profitable than sugar. It is the national drink, and the general depression has not only caused less of it to be consumed, but has at the same time so reduced the excise revenues derived from it, that, in a vain attempt to maintain them, the local legislatures have from time to time enhanced the duties, and of course the price to the consumer with them. While this has been in process, rum as a European beverage has been going more and more out of favour, and these two circumstances combined have tended greatly to depress the price, which for ordinary qualities is now only sixpence to a shilling per gallon. There are some Jamaica distillations which continue to bring a much higher

^{*} Appendix C, vol. i., page 78.

figure, but they are almost exclusively used for giving tone to greatly inferior spirit, produced principally in Germany. Indeed, quite a number of the Jamaica sugar estates are to-day only kept up for the sale of the rum they yield, and it is the sugar which is the bye-product.

And as though this were not enough, the British excise regulations militate strongly against the West Indian To compensate British distillers for the cost of inspection, and the other restrictions under which they carry on their business, a differential rate is levied as between home and foreign spirits, the excise duty being 10s 6d. per gallon, and the customs duty 10s. 10d. Fourpence per gallon may have fairly represented the additional cost at one time, but it is certainly very much less now, and in the large distilleries probably a penny, or at the outside twopence, is amply sufficient to cover it. Twopence or threepence per gallon is not a matter of great consequence on a commodity selling at 11s. 6d. and upwards, but when it is considered that the prime cost may be no more than a shilling, it becomes at once evident that this surcharge constitutes a very heavy percentage. Those interested in the West Indian trade maintain that this is largely the reason for the falling off in the British consumption, and whatever justification they may or may not have for the complaint that England allows foreigners to protect her sugar consumers at the expense of her colonies, they have a distinct grievance in the protection afforded to British distillers.

Taking all these complex circumstances into account, it will clearly be seen how difficult it is to arrive at any fair comparison between the cost of cane as against

beet sugar production. But this much at least has been elicited: that, acre for acre, the capabilities of the soil of the West Indies are at least equal to the various countries of Continental Europe; that, man for man, the West Indian labourer is more efficient, and cheaper. when fairly remunerated, than his European rival; and that, as one production against the other, it should be the West Indian, and not the European, who in average years should enjoy the advantage. How far the West Indies throw it away by an antiquated conservatism is entirely another matter. If they choose to remain in this rut, they cannot expect the mother country to dole them out grants and loans, with little or no prospect of repayment. But if they are fully prepared to pull themselves together, and show that they are both practical and energetic, they are entitled to demand assistance, provided is be on economic principles. The West Indies have a perfect right to ruin themselves if they like, but neither Germany, nor Austria, nor France, nor all of them combined, have any right to say, "You sha'n't continue to grow sugar because it interferes with our producers." And when they do utter such a threat, it is the place of the British Legislature to take care that it is not made effective.

Taking it for granted that the West Indies are capable of competing in the cultivation of sugar with any other country in the world, it by no means follows that they are wise in doing so. Sugar-production may have permanently increased to such an extent as to make it of very doubtful profit, not only in the present, but for the future. And it may therefore be, that other commodities are likely to pay better

and should be substituted for sugar as rapidly as possible.

Most tropical products are already grown to a greater or less extent in these colonies. It will be well, therefore, to take them in order of importance, and discover, as far as possible, what results they have hitherto given, and what the prospects are for the future.

Cocoa without doubt stands next in importance to sugar and sugar products. While the export of sugar was in 1890 valued at £4,562,000 and in 1896 at £3,250,000, that of cocoa was in the corresponding years £800,000 and £650,000 respectively, the latter year having been an unfavourable one. Some substitute for cocoa may of course yet be discovered, but it is hardly likely that it will ever be grown outside the tropics, to compete, as beetroot does, with cane. The geographical situation of the West Indies will always ensure them, if not monopoly, at least protection against anything like world-wide competition.

And there is no doubt that for many years past cocoa has been by far the most profitable product of the West Indies, and has done a good deal to prevent the colonies falling to pieces. I have stated in a preceding chapter that Jamaica is, if not exactly prosperous, in a less depressed condition than most of the other islands. Next to Jamaica in this respect, if, indeed, they do not actually rank before it, are Trinidad and Grenada, and they are the principal centres of cocoa-production. In Trinidad, it has always been an important industry, at least as long as the British have been in possession of the island, and was not abandoned when sugar yielded much

S. Box

the better results. In Grenada it is comparatively recent, for, with a strange intuition, the principal proprietors of this island turned their sugar into cocoa estates some fifteen or twenty years ago, and are now reaping the harvest of their foresight.

Cocoa is also cultivated in the other islands and in British Guiana, but only in a very minor degree. That it is capable of considerable development is certain; that the acreage devoted to it is rapidly increasing is equally true.

But it can never be grown as extensively as sugar. All soils will not suit it, and it is a matter of considerable dispute whether it will thrive on land previously under sugar. On some abandoned sugar estates it has proved a success, on others a dead failure; hence the difference of opinion. It is a tree, as distinct from a plant, and requires at least seven or eight years to arrive at maturity. It strikes its roots deep down in the earth, and while it may thrive the first year or two, it may subsequently arrive at subsoils uncongenial to it, and rapidly perish. This has happened on the sugar estates in British Guiana, and the belief exists that the deeper soils, having been saturated with salt water, kill the growth. Then again, it must, during infancy, be protected from the scorching rays of a vertical sun, while it must not be planted where it will remain permanently in the shade. Plants of umbrageous foliage have consequently to be grown alongside it, and this has resulted in the system generally in vogue in Trinidad.

The owner of the land allots it in small parcels to small cultivators, under the stipulation that they shall plant so many cocoa-trees to the acre, and grow a sufficient quantity of other things for their adequate protection. These invariably take the form of ground provisions-that is, plantains, or bananas, or some sort of vegetable generally consumed in the district. These they retain for their own use, or sell for what they will bring. In three or four years' time the cocoa-trees begin to bear a little, and the tenant may possibly be allowed to retain such fruit as is then vielded. But the time arrives when the trees are able to take care of themselves, and, according to agreement, he has to relinquish possession. He has had the free use of the land, and some of the produce of the young trees, and in all probability will receive a fixed payment of about one shilling for each one brought into bearing. The proprietor enters on his developed estate; the tenant moves off to start afresh.

Which party gets the best of the bargain is not difficult to ascertain. When the negro or coolie has a little money of his own, he much prefers to buy the patch of land outright, work it on his own account, and eventually, maybe, sell it when in full bearing to some neighbouring proprietor, desirous of adding to his estate. But even as tenants they are at least their own masters, so long as they hold to the agreement, and are thus in a more enviable position than a mere estate labourer.

The length of time which must elapse before cocoa yields a profitable return precludes the vast majority of the population from undertaking its cultivation, even supposing they had the land to begin with. Once in full bearing, it lasts a lifetime, and should be a regular source of income, fluctuating, of course, with the nature of the season, and the price obtainable.

Cocoa, however, must necessarily be in limited demand as compared with such an article as sugar, and it is much easier to over-produce, to a point indeed where it becomes practically unsaleable, whereas, at a price, sugar will always come into use, if only as food for live stock. This is just the danger which threatens what has hitherto been a lucrative industry, and it looked very much as though the end had come some two years ago. Unlike almost every other West Indian commodity, the price had actually risen over a series of years; but in 1896 and early in 1897 it fell from about £3 5s. to £2 5s. per hundredweight. It was still profitable to most estates at the lower figure: but after the experience with sugar, the worst began to be feared. A short yield in some of the producing countries once more raised the price to its former level; but how long this will last is a matter of some uncertainty. The world's consumption of the article has been steadily advancing, and what stimulus would be afforded by a more moderate range of prices has yet to be ascertained, because the former break did not last long enough to reach the consumer.* Each year, however, must see the production of the West Indies steadily increase, as the more recently planted estates come into full bearing.

^{*} This receives confirmation from the prospectus of a well-known firm of cocoa-manufacturers and vendors, converted a short time ago into a limited company and offered to the public. After an enormous outlay for advertising, the profits for the last full year were £75,000, and for the unexpired portion of the current one at the rate of £100,000.

It would certainly be most unwise to abandon sugar for cocoa, which could only result in adding havoc to ruin. Should it fail to pay, it cannot be so easily replaced; and West Indians who are so reluctant to cease putting their canes into the ground could hardly be expected to root up their cocoa-trees when they were no longer profitable, merely to plant the land in something else, which might do no better.

Coffee, though far inferior to cocoa, is still an important product of these colonies. It, however, could never replace sugar, as the land suitable for one is totally unfitted for the other. Coffee, to be at all successful, must be grown at an altitude where the sugar-cane would be liable to damage, if not to ruin. The Blue Mountains in Jamaica are the principal home of this industry, and the produce is not only of very fine quality, but commands exceptionally high prices, both in the English and United States markets. The acreage suitable for this cultivation must naturally be limited, though it could be extended, compared with what it is at present.

It is not everywhere that plantation coffee can be successfully grown, and as much of the value is the result of the proper curing of the bean, many of the small cultivators, for lack of the necessary facilities and knowledge, fail to obtain anything like the £4 15s. to £5 10s. per hundredweight frequently received by the more skilful planters. And to grow low-grade coffee is at present rather worse than to produce Muscovado sugar. The enormous development of the cultivation in the Brazils, where it has proved exceedingly profitable, partly in consequence of the derangement and de-

preciation of the currency, has brought the price down to about half the normal figure; and ordinary qualities, which a year or two ago were selling at £2 10s. to £3 10s. per hundredweight, are now quoted in London at little over thirty shillings, and in New York, which is the principal market, at corresponding figures.

So far, the supply of the finest growths has not proved in excess of the demand. But it is skating on very thin ice to produce a commodity in anticipation of continued high prices, the value of most grades of which has been halved. Other of the islands can and do produce coffee in limited quantities; but the inducement to extend the cultivation is not very great. British Guiana once enjoyed a high reputation for the article, but in this instance it was abandoned for the more profitable sugar-cane, though efforts are now being made to resuscitate it on a moderate scale. But in any case the salvation of the West Indies does not lie in the extension of coffee-culture.

Several of the islands yield products limited to, if not peculiar to, themselves. St. Vincent is famous for its arrowroot. Many years ago some few of the peasantry took to cultivating it, with fairly satisfactory results. Then sugar failed, and the principal proprietors of the island, thinking to retrieve their position, grew the root on an extensive scale. The consequences were disastrous, for what formerly sold in the London market at sixpence to eightpence per pound was, previous to the recent disaster, difficult to move at twopence, and has been as low as three-halfpence. Not even these prices stimulated the demand to any considerable extent, the uses of the article being limited, though, as it is

largely employed in the manufacture of cocoa, the extension of this industry should help the dependent one.

Reliance upon this industry has earned for St. Vincent the worst reputation of any of the islands. Not only is the digging of the arrowroot declared to be unhealthy, owing to the noxious gases exhaled from the earth, but the labour is so exacting, and the pay so miserable, that a penny a day is sometimes all that can be earned. Charges have also been made that this scanty pittance is withheld for weeks, and that the infamous truck system is in force, so that goods in lieu of money are given in wages at much beyond the market price. On the other hand, this has been stoutly denied by the estates proprietors and managers, though it is quite certain that some of the latter did own stores in outlying districts, where the surrounding population were practically compelled to deal; and it may well be supposed that the store customers who paid what they were asked without demur would receive preference in the allotment of work. After the experience of St. Vincent, none of the other islands are likely to be at all eager to take up the production of arrowroot.

Much more fortunate has been the experience of Dominica and Montserrat in the cultivation of the lime-fruit, the juice of which is extracted and exported in various forms to England and the United States. Though steadily progressive, the total value of the export from the West Indies is under £30,000, so that it must be regarded as a very subsidiary industry, and one liable to be speedily overtaken by disaster, should its expansion become too rapid. A witness from

Dominica expressed his disapproval of evidence given before the Royal Commission, showing wherein that island was endeavouring to stem the tide of general disaster, on the ground that it might induce competition which would, in the long run, render all efforts nugatory. One may be disposed to condemn such motives as selfish, but it at least affords proof that in the opinion of competent persons, what is but a small interest may much more easily be overdone, and ruined, than developed into a large one.

It is Jamaica, however, that has derived by far the greatest advantage from fruit-culture, and bananas and oranges now figure among the staple exports, their value in late years having steadily increased. But for such perishable commodities, suitable markets must be found within reasonable distance, otherwise the risk is too great. This condition is fulfilled as far as Jamaica is concerned, as New York is within some five days' reach of the island; and the trade has developed to such proportions that it has been found worth while to run specially constructed steamers at regular intervals. Attempts are likewise being made to supply the English markets, though so far they have been but partially successful, owing to the much greater To overcome this disadvantage, quick and distance. well-ventilated steamers will be necessary; but trade must grow before such a service can be made remunerative.

The great secret of the industry is, as far as possible, to provide supplies during seasons of the year when fruit is scarce and dear. In this respect, Jamaica, as a tropical island, is favourably situated, and the maturity of the crops can, to some extent, be regulated. As, however, bananas can only be grown under tropical conditions, all competitors are much in the same boat, and Jamaica has keen rivals in Costa Rica and other Central American States, where this fruit is largely cultivated. But in oranges the island has taken the lead, and almost secured a monopoly in that part of the world. Stimulus to this particular industry was afforded by the repeated failure of the crops in Florida, which is now found to be within the zone subject to frost, the slightest touch of which is fatal. At present, Jamaica profits by this; how long it will continue to do so is another question, as the United States are making gigantic efforts to repair the damage done to what they regard as a native industry, and the duty under the Dingley tariff is altogether excessive.

The benefits directly accruing to Jamaica from the fruit industry are, moreover, steadily diminishing, and threaten before long almost entirely to disappear. This is due to the fact that, as soon as it became evident that the cultivation was profitable, the American buyers accustomed to take the fruit also entered into the production of it, and now considerable estates are owned and worked by United States capitalists, who spend little in the island beyond the necessary outlay for wages, reduced to a very low level by the superabundance of labour. Many of the small growers who found salvation in fruit culture, are once more on the verge of ruin, as instead of having eager purchasers for their crops as formerly, they have now to rely upon a shortage of fruit on the big estates on

shipping days. Should these yield sufficient to fill up the steamer's capacity, it is a poor look-out for any one else, and the bananas and oranges laboriously transported to market, have either to rot or be disposed of at nominal prices to local consumers. Should some small quantity be required, and the supply be greatly in excess of the demand, the shippers purchase what they want on their own terms, and it is only on such occasions as that the ripening process on the estates has been for some reason or other retarded, that the peasant cultivator can any longer obtain fair prices.

A Jamaica witness, referring to this, stated in evidence that:

"The Boston Fruit Company unfortunately owns nearly every property in the parishes of St. Mary, Portland, and St. Thomas from Point Maria to Morant Bay. This company is fortifying itself in such a way that in a very short time, if the peasantry have not something to fall back upon, things will be serious to us." *

In face of an experience like this, there is little inducement for the other islands to enter into competition in this particular trade. Most, if not all of them, could grow bananas and oranges, but none of them are so favourably situated as Jamaica as regards distance from, and transport to, the principal consuming markets. Assisted by a moderate government subsidy, Trinidad did endeavour, some years ago, to wedge its way in, but the want of roads from the interior, where the fruit was grown, to the coast, where it had to be shipped, proved an insurmountable obstacle, and after calling at various places to pick up such small quantities

^{*} Appendix C, vol. iii., page 418.

as were available, much of the cargo was rotten and had to be destroyed on arrival at New York. None of the smaller islands could hope singly to provide sufficient fruit in proper condition on any given day to load a steamer, and to obtain a cargo several places at least would have to be called at, resulting in deterioration, if not in absolute destruction. Royal Commissioners have indeed sketched a service to be established, in the first place at any rate, by Government subsidy, for tapping several of the islands; but except in a very minor degree none of them should place reliance on fruit-growing, or look to it as a means of salvation. After all, if sugar, or coffee, or cocoa, fall to a very low price, the sanguine owner can hold on for better times; but every hour's delay in the disposal of produce so perishable as fruit means a reduction in its value. Even the old-established European countries have found the business a most precarious one, and every one engaged in it must be prepared at times to face heavy losses, and trust to the law of average to come out right in the end; and that is just what the small peasant cultivator cannot afford to do.

What is true of cocoa, of coffee, or of fruit, must be still more emphasized when we come to deal with the smallest of the industries. However profitable may be the cultivation of spices like pimento, nutmeg, and mace; of ginger, or even of logwood; it is not difficult to perceive that the known uses of these commodities are so limited that the world's markets would soon be glutted were the production materially increased, and, as in the case of arrowroot, the fall in price would not

stimulate consumption to anything like a proportionate degree. To extend some of the minor cultivations of the West Indies, therefore, would only be to make confusion worse confounded.

On the other hand, there is still the possibility of introducing new ones, which should not be overlooked. There is no reason, for instance, why as excellent tobacco should not be grown in Jamaica as in Cuba. vet every attempt on a commercial basis has so far failed. The difficulty hitherto has been in the curing of the leaf, which is apparently an exclusively Cuban art, but one which ought to be transferable, were sufficient inducements offered. Again, there is no reason why some small portion of the immense trade of the United States, and especially of California, in tinned fruits, should not be shared by the West Indies. were proper facilities afforded. A favourably situated canning factory in one of the islands, where the fruits could be conveyed from the others within less than twenty-four hours, would ensure consumption without waste, while labour conditions as well as relative distance from European markets, favour the West Indies as against their American competitors. Potatoes, too, can be grown well and cheaply, and in the spring of every year there is an important market in England. supplied now by Malta, which ships very largely. Nor do these by any means exhaust the new industries which might be introduced and profitably developed.

So far we have dealt only with articles for export. A very large proportion of the value of the imports into the West Indies consists of food and provisions of various kinds, and the further question arises whether

much of these, or of adequate substitutes, could not be produced at home.

In the first place, the vegetation of the temperate and colder climates of the north and south will not thrive in the tropics. Wheat and similar cereals are consequently out of the running, and so far as food of which they form the basis is consumed, it must be obtained elsewhere. We are not, then, surprised to find that the imports of flour, bread, and biscuits, principally from the United States, are considerable, and in 1896 amounted to upwards of £260,000 in Jamaica and Barbados, while nearly half this amount in addition was expended upon Indian corn and meal.

In British Guiana and Trinidad, where the large coolie population consume rice, and not wheat, the imports of this grain amounted in the same year to £260,000, and the value of the flour was only a little less.

Now what is true of wheat is not of rice, because the swamp lands in British Guiana are eminently suitable for its cultivation; and so far from being neglected, the area devoted to rice is constantly on the increase. The industrious coolie has for many years past occupied his leisure hours in the cultivation of the little patch of ground attached to his dwelling, in rice; but hitherto it has been almost exclusively for his own domestic use, and what he has gathered has been stored, not sold.

Latterly, this particular industry has received a great stimulus, and the erection of a rice-mill in the capital of Georgetown, with money provided by Government for the purpose, has led to rice-growing as a source of profit; and hopes are entertained that in time, not only will sufficient be produced to meet all home requirements and to obviate imports, but that there may be a large surplus for export in addition.*

Unfortunately, the industry is commencing on a false economic basis, inasmuch as the native grower enjoys considerable protection. To what extent it is necessary to tax the common food of the people in order to obtain revenue for the purpose of carrying on the Government, may be a matter of opinion. The import duty at present is a high one-namely, thirty-five cents per hundred pounds-and inflicts great hardship on the labouring population whose food it is. At the first opportunity it should be lowered, if, indeed, some other means of raising the revenue cannot be discovered, and this tax done away with entirely; in any case there is obvious danger in stimulating an industry under such protective influences. Should it prosper, this portion of the Government revenue will, in any case, disappear without necessarily benefiting the consumer, and the only way of replacing it would be by an excise duty, which would be particularly obnoxious.

There is every reason to believe that rice can be cultivated profitably in British Guiana without any assistance from protection. Under this process methods of production always become extravagant, even when not so to begin with, and no time should be lost in reducing the duty with a view to its eventual abolition. Then, not only may an ample

^{*} The import for 1897 was only 9,000 tons against 15,000 tons the previous year. The export rose from barely 1,000 to over 1800 tons.

food supply be provided for home consumption, but a profitable export trade developed as well.

The importation of food stuffs is by no means limited to cereals. Salted meats, principally beef and pork from the United States, and salted fish from Newfoundland, constitute the luxuries of the coloured population, which they mix with their home-grown vegetables when they can afford it. There are grazing lands in the West Indies, and particularly in Jamaica, on which cattle are raised; and Porto Rico is noted for the quality of its beasts. These cattle are required for labour on agricultural estates as well as food—for the latter purpose they cannot be considered as prime, and while climatic conditions are not exactly unsuitable, they are not so favourable as elsewhere, and tropical countries will never compete as meat-producers.

Fresh fruits and vegetables are grown in great abundance, and an inter-island trade is carried on in them. They form the staple diet of the peasantry, and are often accountable for the dysentery so prevalent among them. Of this sort of food they consume quite enough, and they are to be encouraged, rather than checked, in their desire to vary it with bread and meat or fish.

And after all it is a very open question whether a country is not often worse rather than better off for raising its food at home, instead of importing it. Great Britain, which is the wealthiest country in the world, imports more food stuffs than any other, and the cavillers who predict ruin in consequence have to face the fact that, the larger the imports, the greater appears to be the prosperity. There must

be a limit to this state of things, but it has not yet been reached; and the same may be true of the West Indies or any other country. We might grow a great deal more wheat at home if we liked, but who is there would suggest pulling down cotton-mills and weaving-sheds, or levelling blast-furnaces and engine-shops, in order that more land might be available for agriculture? The West Indies, it is true, are agricultural and not manufacturing, but it by no means follows that it will not pay them best to grow food for other people, and import their own.

Though the aggregate quantity of labour in Jamaica is excessive, certain parts of the island are at times badly supplied, and the reason for this has been furnished by a member of the Legislative Council, who gave evidence before the Commission.

"In some parts of the island," he says, "labour is very scarce at times, and this is owing to the fact that on account of the very high duties maintained on food stuffs imported into the island, the people must of necessity cultivate their grounds for the purpose of supplying themselves and their families with provisions. . . . One part of the year is devoted to the growing of provisions and such like, and the people will not go out and work on the estates at that time." *

It is not the food imports which are a sign of decadence, and under normal conditions it is quite conceivable that they could go on producing sugar, and cocoa, and coffee, under far more economical conditions than the commodities they themselves require.

Nor must it be overlooked that while the soil of a country may be eminently suitable for certain vegetable productions, climatic conditions may be

^{*} Appendix C, vol. iii., page 300.

altogether opposed to them, or at least render them risky. The very names of two of the West Indian Group-the Windward and the Leeward-proclaim them as subject to unusual visitations. Nor are they alone in this respect, as practically the whole belt is swept by periodical hurricanes, or experiences seasons of terrific rainfall and resulting floods, or prolonged drought. There are sheltered areas almost everywhere, but these are already largely utilised for permanent crops. But it would be folly to plant them where at almost any moment they might be forcibly rooted up, and in such places the only safe course is to depend on crops which require annual re-sowing, so that if destroyed the havoc will be limited to one season. This is why the sugar-cane must remain the staple industry, particularly of the two groups of islands mentioned; for although some fifteen months elapse between the planting and the reaping, and the canes are then often merely ratooned, and kept up another year or two, loss by hurricane, flood, or drought, need not be irreparable. On the other hand, to lose trees of many years' growth, which have perhaps only just become productive, is heart-breaking as well as ruinous; and for this reason, if for no other, cocoa, coffee, and spices, can never prove a substitute for sugar.

Since these words were written an eloquent and unwelcome confirmation of them has been afforded by the terrible hurricane which devastated the islands of St. Vincent and Barbados, resulting in the sacrifice of hundreds of lives, the destruction of thousands of dwellings, and the loss of hundreds of thousands of pounds.

St. Vincent experienced a visitation only a little less severe but a year or two ago, and in each instance the result was that hundreds of acres were torn up or washed out, in districts believed to be secure, and thousands of trees, upon which years of patient labour had been bestowed, carried away. Had it been sugar, the year's crop would have been lost, and work would have been resumed, and for this reason the damage in Barbados was much less severe. It is extremely improbable that the same land will ever again be put under permanent crops.

But by far the most important of all reasons for maintaining the sugar industry in the West Indies has vet to be stated. Nothing else demands anything like the same amount of labour. The sugar-cane requires constant tending from January to December, and there is always work to be done in connection with it. The processes in cultivation and manufacture are innumerable, and where the labourers constantly employed on a big sugar, estate number hundreds, and often run into thousands, others require only their units and tens. In harvest time, the number is considerably augmented, and it is often during this period, lasting some weeks at least, and running often into months, that the coloured labourers have to provide for their year's wants. The work is long and exacting, the Barbados negro having to put in fourteen hours a day, while the Guiana and Trinidad coolie, who commence at five in the morning, are often kept hard at it until ten at night; but the shilling or fifteen and eighteenpence which can sometimes be earned is regarded as full compensation, and it is not during such a period

that the most prejudiced onlooker would describe the coloured labourer as lazy.

An equal acreage under cocoa requires from one-fifth to one-tenth the labour of sugar, coffee even less, as, when the tree is full grown, there is little to be done except picking and curing the berries. Many of the minor cultivations want no labour at all, beyond the mere gathering in of the yield, though after sugar, fruit, and especially bananas, constitute an easy second. But, for the reasons already stated, this is not an industry to be relied on if further extended. Even in Jamaica, where the export of sugar and its products (rum and molasses) now amounts to only 20 per cent. of the total, it is said to afford as much employment as all the other exporting industries put together.

It will at once be realised that serious consequences must ensue were sugar-planting to be entirely relinquished. There is absolutely nothing to take its place, and tens, if not hundreds of thousands of hands would be thrown idle, without the faintest prospect of securing work; for the cessation of labour on the sugar estates, and the resulting stoppage of wages, would react upon every trade and shopkeeper in the colonies. The population might continue to obtain a scanty subsistence by squatting on the land, but this would almost amount to a return to barbarism. who glibly advise the West Indies to abandon sugar and go in for something which pays better, do not realise what they are talking about, and might just as well recommend Lancashire to relinquish cattaispinning, or the West Riding of Yorkshire to retire from the woollen trade.

The Royal Commissioners are themselves both unanimous and emphatic on this point, and, discussing the consequences of a failure of the sugar industry, they arrive at the opinion that—

"the immediate result would be a great want of employment for the labouring classes, and the rates of wages, which have already fallen, would in all probability be still further reduced. The public revenue would fall off, and the governments of some of Your Majesty's possessions would be unable to meet the absolutely necessary public expenditure, including interest on debt, whilst additional outlay would have to be incurred by providing for the population by emigration or otherwise, and the general standard of living would be reduced to a lamentable extent, in every colony which is largely dependent on sugar." *

And a little later on they add:

"The restoration of the sugar industry to a condition in which it can be profitably carried on . . . is the only remedy that would completely avert the dangers which now threaten Your Majesty's West Indian possessions."

Finally, there is the scarcely less important question of health. Evil as I have shown the moral effects of sugar-planting to have been in the past, there is no reason why they should continue in the future. These swept away, or greatly minimised, there is a general consensus of opinion that sugar cultivation is the healthiest occupation in the tropics—always of course for those who can stand the heat. The sugar itself is not only the most nutritious, but the most popular of foods, and the labourer sustains himself during his exhausting toil by sucking a piece of the cane. A section taken home after his day's work provides the evening meal of his family, and it is during cane

^{*} West India Royal Commission Report, pages 7 and 8.

harvest that the negro, man, woman, and child, is sleekest and fattest. In the depressed times which have fallen on the industry, overlookers keep a sharp look-out against anything in the nature of pilfering; but in the more prosperous days of the past, and in those which it is to be hoped are yet to come, a few sugar-canes count for nothing.

Again, striking evidence was afforded on this point by competent witnesses. Grenada, as I have already mentioned, has entirely relinquished sugar cultivation, and has avoided the extreme depression of some of her neighbours. Yet a document, handed to the Commissioners, signed by six clergymen belonging to the Church of England, Wesleyan, and Roman Catholic denominations, one of whom had resided in the island for thirty-three years, contains the following statement:—

"We are of opinion that prior to the abandonment of so many sugar estates in this island, the labouring classes were in a much better position as regards health, character, and prospects. With the exception of a few estates on the seaboard, they were, as a rule, healthy, robust, and long-lived. They enjoyed greater privileges, received greater perquisites, and were consequently able to subsist on a smaller expenditure of their wages. They could put aside small earnings regularly, and so provide for their families somewhat beyond the absolute necessaries of life.

"Since the abandonment of sugar estates, and the introduction of cocoa cultivation, the labouring classes have not been as healthy as hitherto, owing, no doubt, to their having to work under damper conditions and in shaded localities. A very great difference arose with regard to the amount of labour required per acre, and the wages received by the labouring man and his family were very much reduced." *

^{*} Appendix C, vol. iii., page 26.

Another clergyman, resident in Jamaica for fifty years, who is also a member of the Legislative Council, and a warm advocate of the rights of the peasantry, says, referring to sugar estates:—

"They have always been centres of oppression, and poverty, and demoralisation. . . . But it is certain that there is no other production known at present which can supersede sugar as the staple export of Jamaica. The soil, the climate, and the population, are expressly adapted for it."*

And again:

"The people all like cane cultivation. They know all about it; the land and the climate are all exactly adapted for it, and if they could sell canes without making it into sugar, I am quite certain that Jamaica would make a great deal more sugar than it ever did in the palmiest days of slavery." †

The force of such an opinion is greatly emphasized by the first sentence of it.

Blessed, then, with a soil which has only to be tickled with the hoe to laugh with plenty, nature still demands the assistance of human toil and skill before she can be persuaded to impart her secrets, or yield up her wealth. That such a splendid estate should be allowed to lapse into so ruinate a condition is utterly discreditable to its owners, and though individuals are largely to blame, the nation must not be allowed to escape censure for its dire neglect-not so much of the interests of proprietors, as of the welfare of the toiling masses. The West Indies want no charity; give them a fair field and no favour and their internal resources will attract sufficient capital and energy to place them in a position of prosperity to which they have long been strangers.

^{*} Appendix C, vol. iii., page 377. † Ibid., vol. iii., page 289.

CHAPTER IV.

THE GROWTH OF SUGAR-PRODUCTION.

General healthy state of the industry.—Stimulus afforded by low prices.—United Kingdom only country able fully to profit by them.—Influence of price on consumption.—United States.— Various European countries.—Beet versus cane production.— Artificial stimulus afforded by United States in Cuba, Louisiana, and Hawaii; its influence on British possessions.—Principal causes of growth of the beet industry.—Possibilities of increased consumption.—Pernicious effects of bounties and high duties; probable results of abolition or reduction.

It is always a misfortune for a country when its interests are closely bound up with a decaying industry. Lifelong habits and occupations are not easily shaken off, and, in the vain hope of a return to better days, are apt to be clung to long after they have become obsolete.

This cannot be said, however, to be the cause of the decadence of the West Indies, for the industry upon which they have always been mainly dependent, so far from being played out, has, during the last ten or fifteen years, shown as marvellous an expansion as any other important one that can be mentioned. Inside the longer period, the world's annual consumption of sugar has nearly doubled, while during the same time the production of the West Indies has remained at the best stationary.

There is not the shadow of a doubt that this great

expansion is due almost entirely to the cheapening of the cost. We have only to look for a moment at the relative rates of consumption in the different countries of the world, to have our minds promptly set at ease on this point. For unfortunately, though the cost of producing sugar has fallen so heavily everywhere, the consumer has only in a few instances derived the full benefit. Whether sugar be regarded as a necessary or a luxury, almost every government has singled it out as a fit object for taxation, and in the beet-growing countries of continental Europe the burden has been still further increased by the necessity of providing for the payment of the export bounties, the principle adopted being, that under all circumstances this commodity must yield a certain amount of annual revenue to the national exchequer.

The United Kingdom, and the United Kingdom only, has been in a position to profit to the fullest extent by the economies of production. The last vestige of the sugar duty was repealed in 1874; since, there has been neither let nor hindrance to the free and unrestricted movement of this commodity. Prior to that date, the rate of consumption steadily went up as the rate of duty went down; but domestic sugar was still regarded as cheap when its market value was no higher than twenty-five to thirty shillings a hundredweight, and its cost to the consumer about fourpence per pound. This range of prices was fairly well maintained for several years, and the consumption, on an average, of the four years 1880-4 was estimated at the high figure of seventy pounds per head of the population.

The season of 1884 marked an epoch in the history of sugar which will never be forgotten by those who passed through it. Prices during the preceding year had shown a declining tendency, and finished up in the neighbourhood of twenty-three to twenty-four shillings for grocery descriptions, and about nineteen shillings for the raws, or Muscovados, suitable for refining. Nearly every month of 1884 witnessed a further falling away. As values declined, speculators were attracted by what was regarded as an abnormally low range of prices; but even their operations proved powerless to stem the torrent. Indeed, in the end they helped to accentuate it, as the enormous losses that were incurred proved more than some of them could stand, and large parcels were continually flung on the market and pressed for sale. Others, who possessed more stamina or deeper pockets, stepped in, and the long-looked-for bottom was touched at last, but not until the better qualities had fallen to fourteen shillings, and the lower kinds to ten shillings per hundredweight, a decline during the year of some nine or ten shillings, which could hardly fail to produce catastrophe in the ranks of the legitimate trade. As a matter of fact, commercial failures were both constant and for heavy amounts.

A healthy growth in the consumption of any commodity is rarely a hasty one, and as the domestic use of sugar was already attaining a maximum—the quantity necessary for making beverages agreeable to the taste, and for culinary purposes, having naturally a limit to stimulate it further required the growth of other industries into which it might enter. This was a work of time, and demanded the economic production of other things besides sugar. Consequently we find that by 1887 the consumption had risen less than two pounds per head, and was still short of seventy-two pounds per inhabitant. The recommendation, some years previously, of a distinguished statesman to grow fruit for the purpose of preserving, has not only become historic, but had even then begun to tell; and the enormous increase in jam- and marmalade-making has, if not exactly created a new industry, raised a minor one into first-class importance. This is the principal cause of the further expansion of consumption, until it has now attained eighty-six pounds per head, which is by far the highest rate of any country in the world.

It may be safely reckoned, however, that without the discovery of some hitherto unknown use, this will not be greatly exceeded for some time to come. Not only have the prices, both of sugar and fruit, fallen to an unprecedentedly low level, but the consuming public is about surfeited with their product, and the chances are rather that one of these days something else may spring up which will become more popular. Whatever increased quantity of sugar is required by this country, therefore, will be due rather to the natural growth of population, and not to individual predilection.

Turning to the United States of America, and comparing the increase of consumption during the same period, we find the state of affairs somewhat different. It was during 1880-4 and 1887 that the rate was greatly accelerated, while between the latter year and 1896, the speed has been only slow. In 1880-4 the rate is given at only 38½ pounds, in 1887 at 62, and

in 1896 at 65½ pounds per head. The fruit-canning industry in America received its impetus prior to the jam-making in this country, and was accountable for some of the increase during the first period. Then the growth of late years has been checked by the vacillating nature of fiscal legislation. The McKinley tariff, for instance, abolished the import duty, and for a while placed sugar on the free list, compensating the home producer by a bounty of two cents a pound. The succeeding Wilson Act, hard pressed to find additional revenue in order to save the Treasury from bankruptcy, imposed a 40 per cent. ad valorem duty, and the recent Dingley tariff, at the combined dictation of the Sugar Trust and the planters, altered it to a specific rate equal at prices until recently ruling to very little less than 100 per cent. ad valorem. These constant changes necessarily harass any industry subjected to them, and absence of expansion is not to be wondered at. There is no reason why the rate of consumption in the United States should not be as great as in the United Kingdom, as the American people have quite as sweet a tooth as the British. But this consummation is hardly likely to be attained while the price remains somewhere about double.

No other country comes anywhere near either Great Britain or the United States. But in confirmation of the theory that consumption depends on price, we find that the two countries of Continental Europe which stand next are those in which the duties are lowest, and they in turn are far ahead of their neighbours who subject the commodity to heavy taxation.

The duty on raw sugar imported into Denmark varies from 2s 3d. to 3s. 6d. per hundredweight, according to quality; but the home refiner is protected by a levy of 6s. 9d. on the refined product. Nevertheless, the rate of consumption is about forty-four pounds per head, and has risen within the past fifteen years from thirty pounds. Switzerland shows more favourably still. The duty on raw sugar is equal to 3s. per hundredweight and on refined to only 4s. 3d., and the consumption in the same time has increased from twenty-three to forty-three pounds, or practically doubled. The taxation is so light that the population in each case does get the benefit of the lower cost of production, and, what is more, avails itself of it.

As a rule, countries which are large producers of any given commodity are also free consumers of it, provided it is suitable for the requirements of the people. On this principle Germany, France, and Austria, should be large users of sugar; but as a matter of fact they stand very low down the list. Germany has made the most considerable progress, the rate per head having risen from fifteen pounds in 1880-4 to twenty-seven in 1806; and Germany enjoys the lowest duties of the three countries named. The excise or internal tax is about ten shillings per hundredweight and the import duty fifteen shillings, which is practically prohibitive; so that German producers keep the home markets pretty much to themselves. In France, on the other hand, both excise and import duties are exceedingly highabout twenty-four shillings per hundredweight: the two being identical, owing to France possessing sugargrowing colonies, whose produce she desires to admit on favourable terms. Both colonies and home farmers are, however, protected by a surtax, equal to some four shillings per hundredweight additional on all foreign-grown sugar, bringing the total duty up to twenty-eight shillings. Here the rate of consumption has advanced from twenty-three to twenty-eight pounds per head only; and France, it must be remembered, has, unlike Germany, an important confectionery trade, so that the actual domestic consumption is really smaller.

All the other countries of Continental Europe impose a more or less severe tax on sugar, but instead of dealing with them separately I will show the consumption in tabular form, much in the way it was presented for the consideration of the Royal Commissioners.*

These figures are not official, but are based on the calculations of statistical experts. While they may not be absolutely correct, they are at least sufficiently reliable for all practical purposes.

ANNUAL CONSUMPTION PER HEAD OF POPULATION.

	1880-4 (average)	1887	1896
United Kingdom	. 70.11	71.68	86.15
United States .	. 38.75	62'04	65.49
Denmark	30.17	-	43.65
Switzerland .	. 23.18	-	42.98
France	. 22.98	27'55	28.14
Germany	. 15.25	19.26	27.14
Holland	. 28.82	23.52	25.96
Belgium	. 15.99	-	22.08
Austria	13'44	12.32	16.84
Russia	7.84	9.18	11'24

^{*} West India Royal Commission Report, page 200.

It may seem like putting the cart before the horse to deal with consumption before production, particularly in a chapter supposed to be devoted to the latter. I have adopted this method, however, because I think it will shed some light on the reasons which have stimulated or retarded production. It is always a difficult matter to decide whether supply creates demand, or demand calls for supply, and it is particularly so in regard to sugar, because so many forces have been at work at the same time. I must therefore content myself with stating the facts as they are presented.

It is the production of beet, rather than of cane sugar, which has advanced by leaps and bounds. Fifty years ago the former was considerably under two hundred thousand tons, while cane crops yielded between a million and a million and a quarter tons. The two gradually assimilated, until in 1883 statistics show that for the first time the yield of beet exceeded that of cane, and was instrumental in producing the crisis to which I have already alluded. Still, it did not bring about any decrease in the production of this particular description of sugar, inasmuch as the crops went on increasing in size several years in succession; but not until six years later did beet again take precedence, which meant, of course, that cane sugar expanded for the time being even more rapidly than its rival.

Now this requires some explanation in face of the assertion that it is bounty-fed beet sugar which has injured the cane industry, and ruined the West Indies. Though their production has remained stationary, the cane crops of the world generally exhibited steady growth until the outbreak of the revolution in Cuba; and the conclusion which one almost naturally arrives at is, that the lagging behind of the British West Indies must be due to some inherent fault of their own. That they have on the whole shown great want of energy and enterprise, has been amply demonstrated; but the blame does not rest entirely with them. Where cane production has increased, there have been excellent reasons for it, generally associated with the fiscal experiments of the United States.

We discover this the moment we come to analyse the sources of this increased production. Cuba occupied the first place in the list, the yield having expanded in ten years from 650,000 to 1,100,000 tons. By far the greater portion of the Cuban crop found its way to the United States, and in addition to favourable geographical situation, a treaty of reciprocity existed between the two countries for several years, under which the island sugar received specially favoured treatment on the adjoining continent. Then the disastrous civil outbreak reduced the crop from over a million to under a quarter of a million tons, and was supposed to give the other producing countries a chance, because there is little doubt that had the favourable state of things continued, Cuba would in the course of a few years have been able to supply the whole of the requirements of the United States.

Next comes Louisiana, in the United States themselves, which, though always a cane-growing district, produced for many years under normal conditions a little under or a little over 100,000 tons. Then the McKinley bounty of two cents a pound stimulated the planters, and during the first year of its operation the yield increased to 220,000 from 125,000 tons. the previous one. Though this bounty was eventually repealed, a large measure of protection was still afforded the industry, which continued to grow until the crop has once, at least, during the present decade, exceeded 300,000 tons and, under an existing protection of between one and a half and two cents a pound is likely to become still larger.

And thirdly there is Hawaii, which, under its treaties with, and practical ownership by, the United States, not only enjoyed all the advantages extended to Louisiana, but had the additional stimulus of the unlimited capital of the wealthy American proprietors. Its production, which a few years ago was under 100,000 tons, has more than doubled, and now reaches about 200,000, and may this year considerably exceed it.

It is due, then, to protection, and heavy protection too, that cane sugar has in any way kept pace with the rival beet. Only in Java, of the non-protected countries, has there been any important advance, and there not only are some of the sugar lands the most fertile in the world, but labour is exceedingly cheap, costing only a few pence per day for the most efficient. Egypt has lately begun to make some headway; but even in that prolific country recent prices were unprofitable, and while they lasted the cultivation was carried on at a loss. Queensland and the island of Mauritius, both British possessions, the latter devoted almost entirely to sugar, remained stationary until the

past year, when the former made some advance, though in the Australian colony, everything that modern science and capital combined could place at the disposal of the industry has been promptly availed of for many years.

In South America, Peru has held its own, but in Brazil, despite the tremendous depreciation of the currency, which has at least benefited the coffee planters, the industry has gone back. The Argentine Republic, on the other hand, tries to stimulate what is an admittedly unprofitable industry by the grant of substantial export bounties, though so far their influence has not been felt beyond the country itself. Indeed, it would appear that only under artificial conditions can cane-growing possibly prosper.

And meanwhile it is quite certain that the great increase in beet production has been due to artificial means, and further, that however disastrous bounties may have proved in the past to those actually engaged in the industry, either through their capital or their labour, they have conferred an enormous boon on mankind at large, by bringing down the price to a reasonable, not to say a low level. Had the supply of the commodity remained a monopoly in the hands of the cane-growers, we should have seen few of the developments of recent years. Content to jog along in the old-fashioned way, planters everywhere, while they were making a profit, would have refused to listen to the suggestion of new machinery and improved appliances. The goad has invariably been applied in the first place to beet- and not to cane-growers. The former, stimulated by the prospect of a bounty, have

every now and again provided a supply greater than the immediate demand, with the resulting consequence of a fall in price. Then attention has been turned to a reduction in the cost of production, first by an improvement in the cultivation itself, and then by economies in the various processes of manufacture. As far as the former is concerned, the result has been, in Germany, an increase in the yield in ten years, from under 11 to over 13 per cent., while in the early days of the cultivation only 2 to 4 per cent. was extracted. Similarly in France the increase has been from about 7 per cent. to nearly 10; but even then Germany is considerably ahead, hence the much higher rate of bounty France is compelled to pay, to compete at all successfully.

There have been at least two notable instances of a sudden and greatly increased production of sugar within the present decade, but in each beet has been the cause of it. Indeed, such a thing is hardly possible with cane, because from the time the plant is sown to the period the produce can be placed on the market for sale, some eighteen months to two years must elapse. But with the beetroot, the spring sowings are ready for consumption in the following October at latest, consequently it is better able to profit from any emergency that may arise.

After the crisis of 1884 the world's production remained stationary for several years. The shock was too great to overcome all at once, and though there was some reaction in price, the figure did not again reach that quoted in the early part of the year named. This interval was utilised, both on the Continent

of Europe, and in the tropics, to institute those improvements which revolutionised the industry, and rendered it once more profitable on the lower basis of price.

But meanwhile the consumption had been imperceptibly creeping up, until at last it not only exceeded the annual supply, but exhausted accumulated stocks as well. Plethora made way for scarcity, and in 1889 the advance in value was even more rapid than the decline five years earlier. From fifteen shillings per hundredweight, grocery sugars rose to twenty-six, and raw from twelve to twenty, at which figures there was, under the new conditions of cultivation and manufacture, a fortune to be realised.

It was little to be wondered at that the yield should spring in one year some 900,000 tons—that is, from 2,800,000 to 3,700,000 tons. Cane, for the reasons already stated, showed no such advance, but two years later it was up 400,000 tons—too late, of course, to profit from scarcity prices, because the inevitable collapse followed so great a surplus, and in 1891 values were lower than they had been at any time in 1890.

There is this feature, moreover, about beet cultivation: it never goes back to any appreciable extent. Good and bad seasons naturally affect the out-turn, but the acreage once devoted to the root either increases, or remains stationary for a short period. Thus, despite the fall in price, the crop of 1891 was slightly larger than that of 1890. Then followed a couple of years of trifling decreases, accompanied, however, by considerable advances in the cane crops, which were then

feeling the full benefits of the stimulus afforded by the United States.

The unexpected collapse of the industry in Cuba, just when it appeared to be most flourishing, afforded one more opportunity for Europe, of which it promptly, and, as it proved, disastrously availed itself. A rise in price of fully four shillings per hundredweight occurred when it was found that Cuba would leave a gap of three-quarters of a million tons to be filled; but every penny of it, and more as well, was speedily lost when it was perceived that three only of the Continental countries were quite equal to the emergency. Germany increased her yield by 450,000 tons, France and Austria each by over 200,000 tons, the total addition to the world's beet crops running up to close upon a million tons, which has been fully maintained in succeeding years. These two events in themselves, therefore, fully account for an increase of about 2,000,000 tons per annum in the production of beet sugar.

We may take it for granted that, whatever happens, beet sugar has come to stay. Were consumption suddenly to become inelastic, this would mean a stiff tussle between the rival growths, and if Continental governments continued to back their producers to any extent that was necessary, while cane-growers were left to fight their own battle, the result could not long remain doubtful. Fortunately, neither alternative exhausts the programme. One has only to glance back for a moment at the table on page 83, to realise that enormously as the consumption of sugar has increased within the past ten years, it is still very far from having attained its maximum. The 5,000,000 tons of

1888 have become at least 7,500,000 tons in 1898; and without for a moment anticipating that other countries mean to attain the colossal rate per head of Great Britain, or even the satisfactory one of the United States, we can well see the possibility of the 7,500,000 becoming 10,000,000 ere another decade has elapsed.

There are other reasons than that of price why every country does not reach the same level of consumption. It is noticed, for instance, that vine-growing and wine-drinking countries use comparatively little sugar, but I have excluded Southern Europe from the table, and only the southern provinces of France, and a limited portion of Germany, come under this designation. *Price, and price alone,* therefore, stands in the way of those I have singled out.

If France, Germany, and Austria, and in a lesser degree other European countries, desire to afford relief to their depressed agricultural industries, and insure profits for their sugar-factories, the door is standing open. In the first place, by the abolition of the bounties they will relieve their overburdened exchequers; if they will apply the amount saved to a reduction in the internal duties, they will stimulate consumption and increase the revenue; and if they will steadily devote such increases to further reductions, they will, before many years have passed, derive an equal income from half the duties now imposed. That the general health of the population will improve during the process is now a clearly established fact, as the nutritious qualities of sugar as a food are universally admitted.

On the other hand, if the sugar be consumed at home,

it cannot be exported, and this part of the business is regarded by every country engaged as a source of wealth. To some extent the export will no doubt be curtailed, but inasmuch as the industry is now, and frequently has been in the past on an entirely artificial basis, a return to normal conditions will result in a price at least equal to the cost of production. That will mean the same or even a greater amount of money for a smaller quantity, and financially the countries affected will be better rather than worse off. Germany, for instance, now exports 1,000,000 tons and receives payment at £8 10s. per ton, the proceeds would amount to £8,500,000. The abolition of the bounties might naturally be expected to raise the price to £10, necessitating the export of 850,000 tons only, while relieving the treasury of a drain of £1,500,000, and leaving 150,000 tons additional for home consumption.

The West India Royal Commissioners, in their Report, have expressed a fear that in the event of the abolition of the bounties, and the consequent return to some measure of prosperity of the cane sugar industry, the stimulus to over-production will be so great that in a very short time prices will be as depressed as ever. For the reasons I have just stated, I consider their conclusions altogether too pessimistic. There is ample room for more beet, as well as more cane, and if the countries which produce the former will only consume more of it, they will leave room in the neutral ones for the latter. But if any one has to go to the wall, it should be the weakest, not the strongest. Cane sugar retains its hold, and even competes successfully against its

rival, without any artificial support at all; and where one is profitable with a bounty, the other is occasionally so without. It is obvious that cane, and not beet, is really the stronger, and that, given fair play, it would not merely hold its own, but make decided headway. Beet, not cane, then, should be forced to succumb, if yielding there must be.

But for this there is no occasion. The beet countries will always enjoy a considerable advantage in having their consumers at their own doors, while cane sugar has to be imported from the tropics. Surrounded by modern conditions, the beet countries will be the first to profit by any changes that take place. produce a crop in six months, they can reap the firstfruits of advanced prices, or contract the supply which they know will have to be disposed of at low ones. The cane-planter must trust to some extent to luck, and if his crop happens to come upon a glutted market, which he could not possibly have foreseen, he must rely upon averaging another year, when his production will fall upon a denuded one. He will. too, be more subject to weather conditions and serious damage, where his competitor would at the worst only have to face a slight one. The advantages, on whichever side, have their counteracting drawbacks, and place the two on something like an equality.

It sounds like alchemy to create something out of nothing. Yet, if such a thing ever were possible, the sugar industry affords an opportunity of accomplishing it. A thousand tons of beet, grown under present conditions, will yield the national exchequer, let us say, £10,000 in revenue, and cost the consumer £25,000

to purchase. Halve the duty, and the revenue receives only £5000; but the rebate to the consumers will be at least £7000. As they are willing to spend a certain amount of their earnings on sugar, they will probably buy more of this commodity; and if they continued to spend the entire £25,000, would get for it about fourteen hundred tons instead of a thousand. To begin with, then, the treasury would be called upon to sacrifice only £3000 instead of £5000, while the consumer would not be one penny worse off.

But the additional four hundred tons would have to be produced, and would require 40 per cent. more land, 40 per cent. more labour, and 40 per cent. more of the materials required in cultivation. This means more rent and more labour, probably to the extent of over 40 per cent., because the pressure of the competition of idle land and idle labourers would be relieved, and tend to a higher standard of remuneration for both. portion of such increased earnings would again be expended upon sugar, necessitating the production of a still further quantity. It requires no undue flight of imagination to perceive that in a very short time two thousand tons of sugar would be wanted where a thousand formerly sufficed; that the national revenue would suffer no loss whatever; that the individual consumer would pay no more for his supply than formerly; and that two acres of land and two men would be employed where one did duty before.

It is not every commodity of which such an argument would hold good. In many, excessive production only reduces the price, without proportionately stimulating the demand, and brings depression and loss

upon everybody but the actual consumer. That it is different with sugar I have attempted to demonstrate; and the experiment might at least be worth making. Existing prices are entirely artificial. We shall never know what the capabilities of consumption really are until they are allowed to stand on something like a natural basis.

CHAPTER V.

THE FUTURE OF THE WEST INDIES.

Interests involved in the Sugar question.—Treatment of Sugar colonies.—Evils of subsidies.—The real grievances untouched.—
Commercial relations with United States.—The necessities of the situation.—Meeting the bounties.—Central sugar factories.—
Taxation.—Amount of revenue raised.—Its unfair incidence.—
Effects on the coloured population.—How the money is expended.—Extravagance of administration.—Charitable relief and criminal jurisdiction.—Reforms demanded.—Income tax.—Land and house taxes.—Popular representation.—Restricted franchises.—Federation.—Uniformity in fiscal systems.—Coolie immigration; its financial and moral consequences.—Railway extension.—Increased financial facilities.—The intrinsic value of the West Indies.—Comparison with other British colonies.

NO British colony presents so difficult a problem to statesmen and economists at the present moment as the West Indies, and unfortunately the factors are further involved by the supposed conflict of interests between colony and mother country. Were no British possessions engaged in sugar production, we could afford to accept with equanimity the cheap sugar supplied by Continental beet countries at the expense of their own taxpayers. We might remain indifferent to the grievances of foreign cane-growers, because, after all, it is no part of our duty to regulate the profit and loss accounts of other nations.

But in reality this is much more than a West Indian question, inasmuch as the production of cane sugar in these particular colonies is considerably less than one-half the total production of British possessions. Even so astute a politician as Mr. Chamberlain failed to recognise this fact in a speech delivered a short time back in Liverpool,* in which he compared the interests of planters represented by 260,000, with those of consumers of 1,500,000 tons; and arrived at the conclusion that the latter could not be sacrificed to the former. As a matter of fact, 260,000 tons represents merely the average annual crop of the West Indies, and no account was taken of the production of the Mauritius, Queensland, Fiji, and a number of other colonies, nor of Egypt, which for this purpose may be regarded as a British possession. This amounts to over 400,000 tons additional, all of which suffers from the unfair competition of bounties, † and brings the total British interest up to something approaching three-quarters of a million tons.

Nor can this be ignored on the ground that the natural outlets for much of it are India, Australia, and almost anywhere except the United Kingdom, because the natural market for the West Indies is the United States, where, as a matter of fact, they sell the bulk of their sugar. Had Mr. Chamberlain desired to compare colonial interests in the home market with those of British consumers, the figures must have been 83,000, and not 260,000, to 1,500,000 tons, because that was the total quantity of sugar imported into the United Kingdom from British possessions in 1897.

^{*} January 18th, 1898, at a banquet of the Chamber of Commerce.

[†] The imposition of countervailing duties in India has placed Mauritius in a more favourable position.

And this is just where the invidious position of the sugar industry asserts itself. Every country possessing, or desirous of possessing, colonies, has in view, first and foremost, the trade they are supposed to bring. People animated by so-called Imperial instincts are never tired of telling us that Canada, and Australasia, and India, could, and would, supply us with almost everything we require, did we only afford them sufficient encouragement. And we do actually take nearly all the wheat, cheese, and butter, exported from Canada, and most of the wool, hides, and tallow, of Australia, as well as the rice, linseed, and jute, of India. Only when a colony begins to grow sugar do we shut the door in its face and say we won't have it, but prefer to go on buying from Continental rivals. Were these rivals able to produce it cheaper and better, I would be the first to object to their displacement by artificial means; but when the reverse is actually the case, I am equally ready, opposed as I am to all fancy schemes of Imperial Federation, to protest against what is nothing short of grossly unfair treatment. I can see no difference between refusing to allow the sugar colonies to sell their produce in what we may call their natural markets, and denying them entrance to the British market except on altogether unequal terms.

This is a digression, but at least it affords proof that the subject is by no means exhausted when we have dealt with it in connection with the West Indies. There was not until recently any evidence that the government was considering the question from any other point of view, but we now know from the

Bluebook, issued in May 1899, that negotiations were being carried on with the government of India, which eventually resulted in the adoption of countervailing duties by the Viceroy's Council. But on what principle of justice are British producers in India, or in the Mauritius, which is more particularly affected, to get everything, and those elsewhere nothing? not to mention refiners at home who are quite as severely hit by the bounties as planters abroad. And further, if large grants are to be made to the West Indies out of Imperial revenues, they cannot in equity stop there, but must be given proportionately to the other sugar interests, which will involve this country in the very worst possible form of protection-namely, that of direct subsidies. It is straining at the gnat, and swallowing the camel, first to refuse countervailing duties, and then to grant countervailing bounties, under whatever disguise.

But apart altogether from their manifest injustice, these subsidies will prove no remedy for the deep-seated evils from which the West Indies are suffering. They will constitute a Planters' Relief Act, and be worthy successors to the Landlords' Relief Act and the Voluntary Schools Relief Act, passed in previous sessions of the British Parliament. They will enable planters who have incurred losses to make ends meet, and those who have hitherto made ends meet, to earn more or less substantial profits; but they will leave the labouring population exactly where it is. Wages will not be advanced by a single penny per day, unless in the unlikely event of the subsidies being so large as to render the industry very profitable, and stimulate it so as to greatly increase the demand for labour.

An event much less unlikely is a partial failure of the crop—cane or beet—in some other part of the world, which would have the immediate effect of enhancing the price of sugar to a profitable basis, and the British tax-payer would then enjoy the satisfaction of seeing his money quietly pocketed, or used to wipe off former losses.

Some portion of the grant already made has ostensibly been allocated for the purpose of ameliorating the condition of the peasantry; but they have no say in its eventual distribution. This must take place through the legislative councils of the respective colonies, or, at the best, through the smaller local bodies, where the grant is not absolutely earmarked; but in both it is the interests of the planters, and not of the labourers, which are paramount. The heavy burden of taxation may be somewhat lightened; but unless the British Parliament expressly stipulates the taxes on which relief is to be afforded, the first selected will be those supposed to press most heavily on the estates.

The permanent prosperity of the West Indies will, in fact, never be insured by any system of doles and subsidies, however considerable. These are necessarily subjected to the whims of an admittedly unstable electorate, which, animated one day by a sudden freak of generosity, is equally likely to be seized the next with a fit of parsimony. In any event the dose is rarely swallowed a second time with the same relish, and to stimulate the sugar, or any other West Indian industry, by a temporary and artificial application, may only render the ultimate collapse the more complete.

Nor can any reliance be placed on a treaty of

commerce with the United States, which was for a time supposed to be under negotiation. The fiscal legislation of that country is notoriously uncertain, and by the time an arrangement is definitely concluded, another government may come into office, determined to reverse it. At present it may be the policy of the United States to grant easier terms of admission to foreign sugar, where substantial concessions are obtained in return. How long this will remain so is another question. The State of Louisiana and the island of Hawaii are now growing sugar under what amounts to a protection of 11 to 2 cents per pound, and their capabilities of further extension are admittedly great. The beet industry, under the same stimulus, augmented in one or two instances by State bounties, is also beginning to assume important dimensions, and the production has already reached 100,000 tons. And finally, no settlement of the future government of Cuba will be tolerated which does not provide opportunities for American capitalists, probably represented by the Sugar Trust, in that island. The Cuban sugar production had, under a treaty of reciprocity with the United States, already reached 1,100,000 tons prior to the revolution, and but for that event would undoubtedly by this time have greatly exceeded it. Practically, therefore, Louisiana, Hawaii, and Cuba, not to mention the Philippines, are capable of supplying the full requirements of the American population, and the day is not far distant when they will do so. Then the sugar of the British West Indies will no longer be wanted, and, treaty or no treaty, there will be little difficulty in excluding it.

It is doubtful, moreover, whether the United States would, under any circumstances, grant advantages unless they receive absolute preferential treatment against every other country, not even excluding the United Kingdom. While such a treaty might not affect British trade to any serious extent, its moral effects would be disastrous, inasmuch as it would be tantamount to a frank admission, never yet made, that foreign connections are more desirable for a British colony than those with the mother country. Unfortunately this is the prevalent feeling in the West Indies just now, and is expressed in a single sentence of a letter addressed to me a short time ago by an English merchant in one of the islands, whose firm has been established for many years.

"If we are such a complex problem to England, let us go over to the United States; we belong to the new Continent geographically, to a great extent commercially, and it would be our salvation to belong to it politically."

Surely not pleasant reading for a patriotic Englishman! And it may be, as I believe it is, a mistaken idea, because the political dependence of the West Indies would result, not so much in the increased prosperity of their present inhabitants, as the transfer of what commerce, industry, and wealth, they possess, to United States citizens, who would likewise be the beneficiaries of whatever improvement followed the connection. Ample evidence of this is already afforded by the Jamaica fruit industry.

Nor is it easy to see how the more amicable relationship between Great Britain and the United States will exercise any influence in this respect. About the worst possible way of cementing so desirable a union would be to introduce fiscal problems bound to affect important interests on either side, and likely to create exasperation on both. Each country must be left to frame its fiscal policy to suit its own requirements, real or imaginary, and while there is plenty of room for legitimate and even trenchant criticism, some of which may not be altogether ineffective in procuring modifications, there must be no direct interference of any sort. Further, the talk of a possible exchange of important West Indian possessions for territories elsewhere may be dismissed as idle, as it is extremely doubtful whether the British public would tolerate it.

Another and somewhat unexpected development has occurred. The Canadian Parliament decided to grant the British West Indies the full benefit of its preferential tariff, and sugar from them is now admitted at 25 per cent. less duty than from other countries. This will not lower the price, or benefit the Canadian consumer, because the basis of the duty has been raised, so that a reduction of 25 per cent. leaves it at the former rate, and the exchequer stands to gain rather than lose by the arrangement.

Still, there can be no doubt that the Canadian market will, under these terms, be supplied almost entirely with British West Indian sugar, which will thus have an assured and regular outlet. The actual benefit to the sugar-planter can, however, be but slight. Did Canadian consumption exceed the production of the British West Indies, then the whole, or at any rate a considerable part of the 25 per cent. rebate, might be

For while the production is, as we have seen, some quarter of a million tons, the annual requirements of Canada do not at present exceed 150,000 tons, and this means a rate per head of the population not greatly below the United States. What will really happen, therefore, is that West Indian planters will compete keenly among themselves to supply the Canadian demand, and the unsuccessful ones must dispose of their produce pretty much as formerly. It is this surplus which will establish the market value, and Canada will continue to purchase its sugar on terms little, if any, worse, than if the whole world were seeking to supply its wants.

If, then, neither subsidies nor treaties of commerce are likely to afford salvation to the West Indies, wherein is it to be found? I will endeavour to show that the future depends upon internal reform, quite as much as upon external assistance.

But in the first place it must be frankly and fully conceded that no permanent improvement can take place without a large influx of capital. The figures given at the end of the first chapter show that over a series of years capital has flowed into the West Indies. In most instances, however, it has been involuntary, and with the object of saving existing estates from ruin, and not bringing new ones under cultivation. Even the large import of machinery into British Guiana and Trinidad did nothing to stimulate fresh enterprise—indeed, it has barely succeeded in maintaining what was previously in operation. The subsidiary industries can in almost every instance be carried on

with a minimum of capital, and as a matter of fact have been; for while cocoa, or coffee, or spices, are being brought to maturity, a precarious livelihood is eked out of the plants grown to provide food as well as shade.

What has been, and what must continue to be, the staple industry of these colonies—namely sugar—can only be maintained, much less extended, by the help of capital. If such capital is to be furnished by the imperial exchequer, the present or future economic conditions are of little consequence, so long as the flow is not checked. Under the most favourable circumstances, however, such a provision will be found to have its limits, probably narrow ones, and sooner, rather than later, private enterprise will again have to undertake full responsibility. Yet one thing is certain: while present conditions continue, the fountain-head of all such enterprise will be choked, and progress paralysed.

For while any country grants bounties to its producers, the corresponding industry of another can never be safe, unless it is prepared to impose some check upon their influence. The West Indies have struggled on for many weary years under the assumption that Continental bounties on beet sugar were but a temporary expedient, bound at an early date to disappear, because they were based on economic fallacy. Unfortunately, European countries show an increasing appetite, not only for this, but for many other forms of economic heresy, and so far their digestion has not been seriously impaired. The wealthier proprietors have struggled on, only in the end to find their hopes crushed, and the bounties materially increased, in some cases doubled; and they will accept no more assurances.

Neither they nor anybody else can be blamed for refusing to sink more capital in a business entirely at the mercy of others, and which can be ruined any day at the nod of a hostile foreign legislature. Either a great experiment in Socialism must be made, and the West Indian sugar industry run by the British Government for the benefit of whom it may concern, or the individual must be guaranteed immunity from unfair national competition, whether native or foreign. The individual can be left to face and conquer the competition of the individual; only a government can fight a government, with any hope of success.

Nothing short of a countervailing duty, then, will meet the case. Moreover, it must be a duty imposed with the definite understanding that it will be revised as occasion requires, and not left to take care of itself. With such security I am convinced the sugar industry of the West Indies will not long continue to languish for want of capital. Without it, the vaults of the Bank of England may be full to repletion, and not a single stray coin will be invested in so doubtful, if not hopeless, an enterprise.

A Barbados proprietor already quoted is very emphatic on this point. Speaking of his own estate he says, "There is practically no credit. There is a big estate like that (a thousand acres), and I cannot borrow any money." He is a man of substance, and has attempted to do so, and the answer he has received is, "If you can get rid of those bounties, you shall have the money to do whatever you want at once."*

Only in British Guiana and Trinidad are sugar

^{*} Appendix C, vol. i., page 74.

estates sufficiently large to maintain a modern factory, with all its expensive appliances and machinery, for their exclusive use. Elsewhere the amalgamation or co-operation of a number of smaller ones is essential to make the necessary outlay remunerative; and the Royal Commissioners, in their Report, have rightly insisted upon this being undertaken. They went so far as to recommend a grant of £120,000 for the provision of such central factories in Barbados, and some portion of the subsequent government assistance has been devoted to this object. Such factories can. however, only hope to be successful when controlled by those who actually use them, and government or outside interference of any sort, such as would be justified by ownership, would be more likely than not to detract from their utility. They should be subsidiary to the cane cultivation itself, and whatever profits are derived should belong to the cane-growers, and not to outside capitalists.

Were the sugar industry secured from unfair competition, there would be no need to claim government assistance for the erection of such factories, even to the limited extent accorded in Queensland. The West India planting interest is still sufficiently influential in the city of London to command all the money it wants for legitimate enterprise on commercial terms. Money could be borrowed, partly on debentures and partly in the form of preference shares, on the basis probably of from 4 to 5 and 6 per cent. respectively, while it would be advisable for any ordinary stock that was created to be retained exclusively in the hands of the planters, large or small, who used

the factory, the articles of association providing that no such stock should be disposed of elsewhere without previously being offered at a fair market valuation to those already interested.

It might be difficult to carry the co-operative principle beyond this, as in all probability small cultivators and peasant proprietors would grow canes and sell them outright to the factories, without wishing to participate in any further profit, as is done in Trinidad at present. On the other hand, some government regulations may be necessary to ensure that there shall be no abuse of what is practically a monopoly, and that canes shall always be paid for at a fair price relative to the value of sugar. But beyond this stipulation, the very existence of which would insure its proper recognition, the less any government or public body has to do with the matter, the better, and the terms and conditions of management should be left to be settled between those who lend the money and those who utilize it. The Royal Commissioners themselves clearly had in view the evils likely to arise from government intervention, when they penned the following paragraph:-

"We do not doubt that in some cases, and under very careful management, advances of money by the State or on a State guarantee, would be beneficial to agriculturists; but any system of State loans or a State guarantee is so liable to be mismanaged, and so likely to end in the loss of the money advanced, that we hesitate to recommend its general introduction." *

With a fair field guaranteed it, and modern methods adopted, the West Indian sugar industry may be left

^{*} West India Royal Commission Report, page 21.

to take care of itself, and those connected with it will no longer have any ground for constant appeals to the sympathy and assistance of Great Britain. Great Britain's duty will by no means have been accomplished when she has placed these colonies once more in the position of earning their living and paying their way. Then the claims upon her will be no longer those of a handful of landed proprietors, whether resident or absentee, but of the million and a half of toiling peasantry whose demands have hitherto been ignored, except on such occasions as they have been useful to the minority. The oftrepeated assertion of the planters, that they can more than hold their own on any conditions of fair competition, is also an admission that they can well afford to pay a reasonable wage to their labourers, and treat them with the consideration due to human beings. In face of the convincing evidence that has been offered, that cane sugar can be grown cheaper than beet, we are at least entitled to demand that the condition of the West Indian peasant shall be better, not worse, than that of the labourers in the Continental beet-fields.

And to effect this, some very radical reforms will be necessary in the internal administration and economy of the islands. To begin with, their system of taxation is upon a totally wrong basis. The direct collection of revenue from a population constantly tottering on the brink, if indeed not actually in the abyss of pauperism, is an impossibility; and where an impost of a few shillings per annum is enforced as a hut or house tax, it is often accompanied by much hardship, and sometimes by positive cruelty. But this should never have

been made an excuse for absolving those who can well afford to pay, and raising almost the entire revenues from indirect sources. To what extent this is done the following table will show. As income is often derived from public works, and other similar sources, such as the post-office, telegraphs, railways, tramways, etc., I have separated the taxable from the non-taxable revenue. All the figures are for the year ending some time in 1896, except for Barbados, which are for 1893 only, the latest I have been able to get in detail. For 1896 the total, both of income and expenditure, was some £20,000 greater, owing to all the duties having been raised by 20 per cent, to provide interest and sinking fund on the capital raised for the new waterworks. I have added port and harbour dues to the customs receipts, because they become an addition to the cost of imported articles.

	Total Revenue.	Taxation Revenue.	Customs,	Excise and Licenses on Consumables, etc.	Combined percentage of Taxation Revenue.
Jamaica	£ 807,803 567,750 618,333	668,147 487,500 466,382	360,886 289,775 i 250,445	£ 139,484 167,838 174,746†	75 94
Barbados	161,730 56,209 55,331 54,951 49,561	140,122 51,080 40,244 44,359 44,403	97,401 24,582 24,650 32,695 39,473	38,722 15,668 13,904 3,847 7,727	90 79 95 82 86
St. Vincent . Dominica	26,487 24,879 2,423,034	21,812 22,861 1,986,910	11,084	5,620 5,605 573,161	85 73 87

^{*} Several items in the returns are difficult to classify.
† Includes house and land taxes.

i. Import. e. Export. Vide page 116.

The excise is derived almost entirely from rum, as much the national beverage as beer in England, though consumed in much greater proportion by the labouring than by the well-to-do classes. I, at any rate, am not disposed to quarrel with this tax, because it limits the consumption, more often than not to the direct benefit of the consumer; but, nevertheless, it is a tax upon the poor, not upon the rich, who ought to be, but are not, called upon to contribute in other ways.

The customs duties, in so far as they are collected on alcoholic beverages, are mostly paid by the better classes, and therefore do afford a little set-off to the excise taxes. But the rates are usually very moderate, and the amount constitutes only a small percentage of the total, by far the greater portion being collected upon what have become necessaries of life. No doubt an existence can be maintained on the natural vegetable productions of the islands, which pay no duty; but any one who told the English agricultural labourer that he and his family could subsist, if they liked, upon potatoes, cabbages, and turnips, would be regarded as an inhuman brute. The West Indian peasant wants his salted or pickled fish or pork as a relish with his vegetable food; and bread, if not exactly a necessity, can hardly be ranked as a luxury. Yet these are exactly the articles singled out in every colony as instruments of revenue, and on dried fish the duty varies from a shilling per hundred pounds in Grenada to 3s. 6d. in Jamaica; on beef and pork from 4s. 2d. per barrel of two hundred pounds in British Guiana to 15s. likewise in Jamaica; and on flour from 3s. 4d. per barrel in Trinidad to 8s. in Jamaica, this

island having, in fact, the heaviest duties throughout, which must be borne in mind whenever it is stated that wages are a trifle higher than in any of the other colonies.

The tropical climate enjoyed by the islands renders artificial heat unnecessary, but as days and nights are of nearly equal length the year round, artificial light is always more or less wanted. The duties on kerosene range from 21d. per gallon in the Leeward Islands to 9d.—this time in Trinidad, the rate in Jamaica being only 63d. Clothing and nearly all manufactured goods pay ad valorem duties ranging from 5 per cent. in Trinidad to 15 per cent. in St. Lucia, and averaging about 10 per cent. But there are exceptions. In Jamaica leather machine belting is free, but boots and shoes, as well as wearing apparel generally, pay 25 per cent. In most places machinery and other estate supplies are also admitted free, while the cutlasses, shovels, and other tools of the working classes, enjoy no such exemption, but pay the duties like everything else-a most invidious and unfair distinction, which is nevertheless persisted in by the so-called representative bodies which regulate taxation.

In every country indirect taxation falls more heavily on the poor than on the rich, and especially must this be so where poor and rich are in such disproportionate numbers as in the West Indies. In fact, under present conditions, the wealthy absentee contributes nothing, the well-to-do resident very little, and the impoverished labourer a material proportion of his scanty earnings. This anomaly is strikingly illustrated in Jamaica. As I have already mentioned, fruit-growing for export is now principally in the hands of an

American syndicate, who merely have in the island one or two agents to look after their estates and interests. The estates themselves were acquired at low prices, and labour is paid for at the cheapest rate at which it can be obtained. The profits of the syndicate are known to be immense, yet they all go to the United States, and practically nothing at all is contributed to the revenue of the island. Why should Americans be allowed to exploit British territory on such terms? British policy-and it is a wise one-is to place no restraints on foreigners to which British citizens are not also subjected, and the fault here is not that Americans escape taxation, but that their immunity is shared by every one else who draws wealth out of the island. And the worst of it is, this has gone on from time immemorial, so that the West Indies have hitherto been little or no better off. after a series of brilliant seasons, than after a succession of disastrous ones.

Moreover, the present system of taxation is very much like feeding a dog with its own tail. The people are made to pay heavy exactions on their food and clothing, in order that the money may be returned to them in very objectionable ways, either in some form of medical or charitable relief, or through making the personal acquaintance of the policeman, the magistrate, and the prison warder. There is little serious crime, but an infinity of petty offences such as one would expect to find in what is practically a community of paupers; for when a man is unable to earn an honest living, he is apt to get it as best he can. And he becomes so inured to it as to cease

to regard petty theft, or, as it is locally termed, praedial larceny, as any offence at all, and resents the punishment inflicted. The black race, wherever it is located in the New World, has gained an unenviable notoriety for its inability to distinguish between the meaning of mine and thine, but we are too apt to overlook the gross oppression it was subjected to for generations, and the utter demoralisation which this must have caused. Pay the negro better wages, and exact less of them for taxation, and he will not only be a less frequent visitor to the courts of criminal jurisdiction, but, through being better fed, better clothed, and better housed, he will enjoy a measure of health and strength which will also keep him out of the hospital and the poorhouse.

The existing state of things may be best illustrated by a few police statistics. The population of Barbados is about 190,000, and in 1896 the offences considered sufficiently serious to transmit to the Grand Sessions, a tribunal equivalent to our Assizes, numbered ninetynine, or about one to every two thousand of the population. Yet in the same year there were no fewer than 4,787 convictions for petty larceny and trivial offences against the person, and another 3,742 for breaches of minor laws such as Highway Acts; so that about 5 per cent. of the population were actually brought under police discipline, and further taxed out of their scanty earnings, in fines. Antigua, with a population of under 40,000, has a worse record still. In 1891 there were only four convictions at Grand Sessions, and 2,800, or over 7 per cent. of the inhabitants, for petty offences. 1895 showed some

improvement, in one respect at least; for though there were twenty-five of the more serious crimes, the trivial offences numbered only 1,854. The principle is adopted of treating every negro as a thief until he can prove himself honest, and the larceny laws of Jamaica permit, if they do not encourage, every man carrying a few vegetables along the high road to market to be stopped and challenged as to their ownership; and should he be unable to render a sufficiently satisfactory account, he is liable to receive some strokes with the cat.

A medical man practising in Antigua, who was also an elected member of the Legislative Council, uttered a terrible indictment against the general treatment of the peasantry of the islands, and his evidence is well worth reading by all interested in the future of these people.* I will content myself by giving one short extract, which sums up the state of affairs as it appears to him, and doubtless to others as well:—

"In many cases the more spirited labourer becomes lazy, because there is not enough in his pay to induce him to work."

"No one comes between the employer and his labourer. When more work is required of him, the master applies to the police magistrate. When he is required to forfeit a great deal of his earnings, the police magistrate is appealed to to go it done. When he dares ask for a penny increase of wages, he runs the risk of being handed over to the police magistrate, to be well punished. The labourer is a man without rights that any one is bound to respect. He actually has no friends, and is entirely at the tender mercy of men who are neither friendly nor fairly disposed."

^{*} Appendix C, vol. iii., pages 195-200.

Another medical man in St. Vincent says much the same for the island in which he resides:--

"Local ordinance compels, under penalty, labourers to work continuously for periods of stipulated length, but this ordinance is binding on the employer as well as the employed, and also compels him to provide work continuously during fixed periods. When the labourer fails to fulfil his part of the contract, he is prosecuted by his employer; but when, on the other hand, the employer fails to provide the work he is bound to give, which failure on his part to provide stipulated work is just as frequent as, if not more so, than that of the labourer to do the work, no one ever dreams of prosecuting him."

We might be disposed to regard such statements as the outcome of overheated imaginations, did not police statistics amply confirm them.

On the opposite page I have arranged the expenditure of the various governments in tabular form, which will show at a glance the proportions incurred under the various headings.

These items by no means make up the total, but those remaining are of a more or less remunerative nature, and vary greatly in the different islands. There are the postal, telegraph, and telephone services, swollen very materially in one or two instances by the subsidies paid to steamship and cable companies. Public works, such as roads, bridges, water-works, and even railways, absorb large sums, and the interest included in the table is mostly on debt incurred in such undertakings. Then the cost of immigration, about which I shall have more to say presently, amounted to £41,728 in British Guiana, and £24,841 in Trinidad, and is defrayed by special taxation—in one case by a tax of 5s. 6d. per acre on all cultivated land, and

	TOTAL EX- PENDITURE.	INTEREST ON DEBT, ETC.	ADMINISTRA- TION, AND COL- LECTION OF REVENUE.	PENSIONS.	EDUCATION.	ECCLESIAS- TICAL.	MEDICAL AND CHARITABLE RELIEF.	POLICE, PRISONS, AND JUDICIAL.
AMAICA	770,182	81,111	£ 72,005	3,096 16,096	£ 65,270	£ 3,356	£ 104,597	£ 128,737
BRITISH GUIANA .	596,493	52,703	44,318	14,151	31,442	22,885	81,353	118,296
TRINIDAD	594,463	33,623	54,790	14,107	38,248	10,606	64,919	95,890
BARBADOS	164,633	1,200	18,623	3,858	16,980	11,378	16,557 *	43,704
GRENADA	60,382	6,385	9,213	226	2,090	200	7,828	11,223
Sr. Lucia	56,059	14,731	5,781	308	3,341	1,500	6,907	8,564
ANTIGUA	56,527	7,877	5,990	1,569	6,062	ı	11,312	7,500 ‡
Sr. Kitts: Nevis.	56,500	4,004	9,282	2,747	4,237	255	10,928	6,923
ST. VINCENT	27,591	1,462	4,140	1,530	2,294	ı	5,472	6,877
DOMINICA	25,189	3,961	5,520	265	2,602	1	3,305	3,895
	2,408,019	207,057	229,662	55,935	177,566	50,480	313,178	431,609
Percentage of total	1	1 88	46	24	7	8	13	81

* This is merely the expenditure out of general revenue, and is supplemented by an almost equal amount derived from parochial rates levied, on houses and land.

† Against this item some £3,500 figures on the other side of the account as revenue from maintenance in reformatory schools of prisoners and children belonging to other islands.

in the other by a duty on nearly all exports from the island.

The table itself is remarkable enough, and affords much food for sober reflection. To what extent expenses of administration may be reduced is extremely difficult for an outsider to judge. Commissioners have more than once taken evidence and issued reports, recommending reforms which would reduce the cost of the civil service. The principal stumbling-block is undoubtedly the Colonial office, which, having a certain amount of patronage at its disposal, is reluctant to forego any of it, and insists on filling up highly paid offices, which are semi-sinecures. The West Indies for West Indians would be a perfectly legitimate as well as an economical policy, and the sooner the majority of even the more highly paid positions under government are filled by natives of the islands, the sooner will there be an approach to something like economy. No doubt it is advisable to infuse occasional fresh blood, and to have in command of the principal departments men of more than local experience; and nobody would grudge them being well paid. But to fill up minor offices with rank outsiders is gross injustice. To begin with, the salaries which they regard as moderate would be looked upon as princely by the natives of the colony, whose financial ideas are on a very much lower level, and efficient service could be had at a remuneration which, while looked upon by the recipients as liberal, would be considerably below the existing scale.

Then the English official too often regards himself as a mere bird of passage, and not only qualifies for his pension, but saves what he can out of his salary, and remits it home, thus causing a drain upon the colony. The local official would probably save too, but the money would be retained, and help to build up the prosperity of the island in which it was invested. The same evil exists with regard to pensions, and the West Indies should not be called upon to provide superannuation allowances to those who have ceased to reside there. The most legitimate relief the British Government can afford will be to transfer the pensions of all non-resident retired officials to the national list.

If it is difficult to criticise administration in its broader principles, it must be still more so when we enter into details. A little incident recently passed under my own notice, however, which casts a flood of light on the waste and extravagance which is possible, not to say probable, in minor matters. A letter referring to a subject which interested me personally, and written from the secretary's office of one of the West Indian Colonies, was transmitted me by the receivers. It consisted of a single sentence, but, as might be expected, was couched in courteous language, and was quite sufficient for the purpose. But it was type-written upon a double foolscap sheet of one of the most expensive hand-made papers manufactured in the United Kingdom; and that it was no old stock being used up was evidenced by the fact that it bore the watermark "1897," as well as the maker's name. I have received communications from British government departments, but often written on single sheets, where this was sufficient for the purpose, and usually of quite ordinary paper. I was informed, on

expert authority, that this sheet would cost ten times as much as one of good commercial note-paper, such as mercantile firms of the highest standing would be likely to use. Yet the Treasury of this particular government is supposed to be tottering on the verge of bankruptcy, and is appealing to the mother country for help. How much similar reckless expenditure does it, and others situated like it, incur in the course of the year?

Little need be said about the ecclesiastical expenditure, which is moderate, and not confined to any one denomination, as there is no Established Church in the West Indies. But the outlay upon charity and justice is a scandal, and throws a more lurid light on the depressed state of the population than any other fact stated in these pages. That the amount spent on these services should be nearly five times as great as upon education, takes us back to the darkest days of our English social history; and until these relative positions are reversed, the West Indian social reformer will have ample work to occupy his attention.

Reform of the revenue must, however, precede that of expenditure, and no improvement can be hoped for until this is undertaken. If countervailing duties, or any other remedy adopted, is to restore prosperity to the West Indies, those who are the first to profit should also be the first to contribute to the Colonial revenues. Nothing short of an income tax will meet the case, and this should be the earliest measure of reform. And it should, too, be a graduated one, because the same difficulties do not exist in levying it as are to be found in the United Kingdom, where the channels through which it is collected are so numerous,

and often so devious. How much is annually made by each person and each estate will not be difficult to ascertain. And as a moderate income goes a long way in the West Indies, a small tax might be imposed on a much lower basis than in this country—say at £80 or even £60 per annum, rising by gradual stages to a higher percentage.

Moreover, it will be advisable to tax the profits of absentees on a higher scale than those of residents. Under present circumstances this might have the unfortunate effect of checking an inflow of capital; but a really graceful as well as a wise concession, which the British Government can well afford to make, not only to the West Indies, but to all colonial possessions, is a deduction from its own claim of any income-tax paid to a colonial government, up to the rate levied in the colony, not exceeding the English one. It is a manifest hardship on an enterprising capitalist to be compelled to pay the tax twice over, and the benefit the mother country derives from 'the expenditure of money earned in its colonial possessions should be sufficient to satisfy it. In this case the foreign capitalist would not necessarily enjoy the immunity of his British competitor.

The mockery of such a tax already exists in the island of St. Vincent, and its incidence is best described in the words of a local barrister:

"Whilst a poor clerk with a salary of £50 a year must pay income tax, Mr. Porter (the largest estates proprietor) and the other land monopolists might make £100,000 out of the produce of the land, and not a cent of tax do they pay."*

^{*} Appendix C, vol. iii., page 100.

The yield of this tax in 1896 was just £520, contributed by a hundred and ninety-five persons, of whom fifty-one were public officials, who paid £175. The profits made in all other businesses and professions yielded but £345 to the revenue.

With the money so raised, the taxes to be reduced should be the customs duties, and such export duties as remain first of all. These would not entail total loss of revenue, inasmuch as the income tax would be paid on increased profits. And in regular rotation, the most necessary articles of use and consumption must follow, until the list is purged of everything entailing hardship, or hindrance to industrial expansion.

Of the expediency of other direct taxes it is not so easy to form an estimate. A land tax in the West Indies is a drawback to agricultural development, and under most circumstances should be avoided. That need not, however, prevent its imposition where land has obtained an artificial value, due to local circumstances, as in Barbados, or where it is deliberately withheld from both cultivation and sale, as in St. Vincent. For the same reason, stamps and fees upon land transfers are inadvisable where the value of the land is trifling, but may well be imposed on property of more than its prairie or constructive value. But a house tax should be so regulated that the poorer tenements may escape, and only the better-class dwellings be subjected to it.

These taxes also exist in most of the islands, but unfortunately they are invariably levied on the reverse principle to that here suggested. In Antigua there is a tax of five shillings per acre upon all cane lands, a shilling upon other cultivated lands, sixpence on pasture, and threepence on fallow; and the first item is reckoned as being equal to six shillings per ton of sugar produced, which does not tend to promote this particular industry.*

The neighbouring island of St. Kitts imposes a tax of three shillings per acre on cultivated, and sixpence on uncultivated land. The acreage tax in British Guiana, as already mentioned, is devoted to the cost of immigration, and as all cultivated land is subjected to it, those proprietors who do not employ indentured immigrants suffer an apparent hardship, which is sought to be justified by the low rate at which free labour is obtainable as a direct consequence of coolie immigration. In Trinidad the tax of a shilling per acre is for the benefit of the general revenue, as similar ones are in most other cases where imposed.

In Jamaica this tax is levied in a manner which falls with especial hardship on the smallest and poorest proprietors. There is a nominal charge on land under tillage of threepence per acre, reduced to three-half-pence if under guinea grass, and three farthings only for pasture. But this is augmented by what is known as a holdings tax, which diminishes in severity as the holding increases in size. Thus the tenant, whether owner or not, of any plot of ground under five acres pays two shillings per annum, from five to ten acres three-and-fourpence, on a hundred acres six-and-eightpence, on five hundred acres twenty shillings; and the maximum levy is three pounds on holdings of fifteen hundred acres and upwards. The cultivator of a quarter of

^{*} This tax has quite recently been reduced to one shilling.

an acre pays at the rate of eight shillings per acre, and the proprietor of five thousand acres at the rate of one-eighth of a penny. But this is not all, for the moment the latter sells or rents any part of his domain, each plot is regarded as a separate holding, and the tenant is called on to pay the tax. Thus the five thousand acres, which contribute just three pounds to the revenue while they remain intact, would be mulcted to the extent of five hundred pounds if divided up into one-acre lots.

But the greatest hardship of all is the house tax, which is fairly general throughout the West Indies. Again Jamaica occupies an unenviable pre-eminence, and this tax is a direct incentive to the retention of the most miserable class of dwelling. A mere hut with a mud floor escapes for two shillings; but the moment a wood floor is laid down, the tax is increased to four shillings, while houses of a better class are rated at eighteenpence in the f. But the rating is notoriously unjust, and fixed for the benefit of the wealthy. This is all the more important, because the revenue for local purposes, and for education, roads, bridges, etc., is derived largely from rates imposed on houses and buildings. There are a great number of small dwellings in the environs of Kingston, inhabited by the poorer workers in the town, which have cost no more than £25 or £30 to construct, yet they are rated at an annual value of £12, and pay about £2 10s. in taxes. One of the most valuable properties in Kingston is occupied by the Royal Mail Steam Packet Company, and is estimated to be worth about £25,000. It is rated, however, at £430 only, or less than 2 per

cent., and pays £80 in taxes, or under a penny in the £, against something like two shillings in the £ on the full value of the small and inferior property. Nor does the anomaly end here, for on sugar estates, the huts or houses occupied by the estates labourers, the rents of which are deducted from their wages, are entirely exempt; and it is calculated that the loss to the revenue, and the consequent gain to the proprietors, is somewhere about £1400 per annum. On the other hand, the lowest sum for which a poor man who is a householder can escape is said to be nine shillings—no inappreciable percentage of a full years' earnings.

After Jamaica, the island of Grenada has by far the largest number of peasant proprietors among its population. There are 5,600 holdings under five acres, and another thousand between five and fifty acres in extent. This should evince a fair amount of prosperity, if not of wealth. There is a house tax of six shillings, irrespective of size, the hut paying just the same as the mansion; and, in conjunction with a land tax of a shilling per acre, it brings in about £6500 per annum. On February 1st, 1897, no fewer than 629 holdings and houses were advertised in the official gazette for sale, for unpaid taxes of the previous year; and 263 of these were actually abandoned and sold because the owners or tenants could not raise the necessary six shillings, and had in consequence to find a temporary lodging where best they could.

Trinidad also has a house tax of four shillings if annual rental is under five pounds; four shillings per room on labourers' barracks and cottages; and $7\frac{1}{2}$ per cent, ad valorem on over five pounds valuation. The

hardship here is not so great, because most of the estates provide free accommodation for their labourers. St. Vincent has a land tax varying, according to size, from sixpence to a shilling per acre on cultivated estates; but inasmuch as the principal ones have become derelict, the yield is only very trifling. The Royal Commissioners have taken very strong views about the situation in this island, and, in their final Report, say:

"If suitable lands cannot be obtained by private agreement with the owners, powers should be taken by the Government to expropriate them on reasonable compensation. The condition of St. Vincent is so critical as to justify the adoption of prompt and drastic measures of reform. A monopoly of the most accessible and fertile lands by a few persons, who are unable any longer to make a beneficial use of them, cannot in the general interests of the island be tolerated, and is a source of public danger."

A small portion of the government grant, it will be recalled, was devoted to the establishment of a peasant proprietary in this island.

On the other hand, there is neither direct land nor house tax in St. Lucia, but a road tax of six shillings, which is equivalent to a poll-tax, for payment of which the property or effects of every one possessed of any can be made responsible. It is scarcely necessary to add that its collection is accompanied by much hardship. Nor is it surprising that in the end something less than £1000 is derived, where the nominal yield should be fully £3000. A proposal to substitute a land tax is meeting with the most strenuous

^{*} West India Royal Commission Report, page 48.

resistance, because the occupied portion of the island is parcelled out into large estates, the owners of which, and not the peasantry, would be called upon to pay.

Barbados, if anywhere, with its highly rented holdings, is capable of producing a substantial land revenue. Yet what is raised in this way is almost entirely for local as distinct from colonial purposes. One of the largest estates in the island, consisting of about a thousand acres, the buildings, plant, and machinery, upon which are alone estimated to be worth £20,000, paid in 1896 exactly £227 18s. 7d. and we may very well agree with the proprietor who told the Commissioners in England, "I do not think it at all high. I think it is extremely moderate. I know my taxes here are a good deal more."

The whole system of taxation in the West Indies, direct as well as indirect, is rotten to the core, yet no important reform can be looked for while their political constitution remains as it is. They are, or were, until quite recently, Crown Colonies, more or less under the control of the Secretary of State in London, but nominally enjoying a good deal of independence in matters of taxation and internal administration. There are elective Legislative Councils in most of them, but their influence is diminished, and sometimes rendered entirely nugatory by the power reserved to the governors of appointing nominated members to sit with the elected ones.

At first sight this appears a mere mockery of representative government; but when the conditions are considered, the wisdom, if not indeed the necessity, of it, becomes evident. For the franchise is usually

so restricted that only the larger planters, merchants, and officials, have any chance of acquiring it, and the peasantry and small tradesmen must look to the nominated member for the protection of their interests. The power of the governor is therefore very considerable. When his sympathies are with the white capitalist section of the community, these have it pretty much their own way in the matter of financial and social legislation, and complaints against the governor are rarely heard of. But should his inclinations lean to the other side, his nominees may, and do sometimes, outvote the elected members, and there is at once a great outcry and protestation against the subversion of the representative system. It is scarcely to be wondered at that taxation is so arranged as to fall almost exclusively on the poorer classes, because while an aristocratic governor will often render all the assistance he can in this direction. his successors, however democratic, find it exceedingly difficult and tedious to reverse established principles against a determined and powerful opposition.

One or two illustrations will show how exclusive these Legislative Councils are—or were, for they are being gradually abolished. In British Guiana this body goes under the name of the Court of Policy, and the qualification for membership is—

- (I) Ownership of eighty acres of land, of which at least forty must be under cultivation.
- (2) Immoveable property of value of not less than £1,562 10s.
- (3) Tenancy of house and land at a rental of not below £250 per annum.

These conditions at once shut out members belonging to the labouring and small trading classes, who constitute the great majority of the community.

And the franchise is only a trifle less exclusive. For the country, absolute ownership must be proved of three or more acres of land under cultivation, or the tenancy of not less than six acres, or of house and land of an annual rental of not less than £20. In the town this is changed to ownership of house or premises of the value of £104 3s. 4d. and upwards, or tenancy at a rental not below £25. Alternative qualifications, both in town and country, are an annual income of not less than £100, or contribution to direct taxation of £4 3s. 4d. and upwards. The practical result is, that in a population of close upon 300,000, the latest roll of electors contains only 2,046 names, or about one in 150.

In the Leeward Islands matters were no better; and without going into the nature of the qualifications, it will perhaps be sufficient to say that out of a population of 36,000 in Antigua, the roll of electors contained only 357 names; and in the last election, which occurred in October 1897, 235 of these votes were recorded. Barbados is just a trifle better, for, with an estimated population of 188,000, the electorate numbered 2,167. By a recent vote of the elected members, the Antigua Legislative Council was dissolved, and the island has become a Crown colony pure and simple. The British Government has, moreover, made it known that this condition will be attached to any assistance rendered to the other islands. While an improvement in some respects, on the state of affairs previously in

existence, it is really a step in the wrong direction, as the franchise should have been widened, not abolished.

Only in Jamaica is there any pretence of a popular franchise, and this is a reform of recent date. The island, with its large number of peasant proprietors, is peculiarly fitted for a privilege of this sort, which has resulted in the substitution on the Council of several members pledged to look after the interests of the peasantry, for others who represented the capitalists and planters. The basis of the franchise is residence as owner or tenant for ten months preceding August 1st in any year, and the payment in taxes of not less than ten shillings, while those who are not directly rated, but can prove themselves to be in receipt of an annual income of not less than £50, may likewise claim a vote for the division in which they live. The privilege is greatly curtailed by the exclusion of all otherwise qualified persons who may have received public or parochial relief within the previous twelve months, a disfranchising clause bound to be very operative where the majority of the population are dependent upon gratuitous medical assistance whenever anything is the matter with them. Nevertheless. the latest electoral roll contained 30,442 names, or about one in every twenty-three of the population.

There ought to be, too, always a majority of elected members, who number fourteen, the remainder of the Council being composed of the Governor, who acts as president, five ex-officio members, all of whom are the holders of certain government offices, and six nominated members in addition. A constitutional crisis on a small scale has recently arisen, owing to

an attempt of the Governor to appoint three additional nominated members, for the express purpose of outvoting the recalcitrant elected ones.

Thus the coloured population, who constitute about 95 per cent. of the total, are hardly represented in the government of the colonies, and have little, if any, voice in it. They must depend entirely upon the goodwill of the Governor and those exercising control under him, and under the very best conditions their political lot is not a happy one. A wide and deep gulf divides the white from the coloured people; and if the slave-owning generation of planters has passed away, the memories of those evil days are still cherished by many of their successors. For a white man to champion the cause of his black fellowcitizens is to risk social ostracism; and where culture and intelligence, and everything that makes the life of a refined and educated man worth living is confined to a limited circle, such a penalty is too great. Reading between the lines of the evidence tendered to the Commissioners while in the West Indies, it is not difficult to see that the few men holding responsible positions who ventured to go against their class are regarded with aversion, and enjoy no very enviable position in the society in which they live and of which they form a part.

I do not for a moment wish to suggest that controlling, much less supreme power, should be placed in the hands of those constituting the great majority of the population. They are not now intellectually fitted for it, whatever they may be in the future, and the result of one such experiment, already tried in the West

Indies, is not very encouraging. But there is a great difference between giving them a preponderating influence, and allowing them some voice in the management of what are largely their own affairs; and the time for a change in this direction is nearly, if not fully, ripe. An extension of the franchise must be granted which will permit every householder, however humble, to have some say in local affairs, as well as representatives of his own. Were one-third of the members of the Legislative Assemblies elected on this basis, and another third under the present restricted franchise, the nominated third would still hold the balance when the other sections were at variance on any important issue. They might not always cast their votes on the side of equity; they might even sanction injustice; but onethird of a body is an influential minority, and whichever it was that suffered would at least possess sufficient weight and influence to appeal, if necessary. to the mother country for moral, if not material, assistance, in the redress of their grievances.

To what class these new representatives should belong must be left to those who elect them to decide. Experience in every well-governed country affords ample evidence that a peasantry does not necessarily choose its members from out of its own body, but frequently prefers to entrust its interests to men in a higher social sphere, provided their sympathies are known to be in the right direction. Some light is thrown on this very point by a petition presented to the Commissioners by seventy-eight East Indian immigrants in Trinidad, where, by the way, the entire Legislative Council is nominated. They say:

"There is a feeling among our people that, composing as we do one-third of the population of the colony, we should be more directly represented in Council, especially as there are many of our countrymen resident here possessed of sufficient educational and property qualification to represent us."*

To what extent the political federation of the West Indian colonies would promote their material prosperity must remain an open question. Many of them are geographically so far apart, and their economic conditions vary so much, that their respective interests might be imperilled rather than promoted by any general scheme of confederation. The difficulties have been fully realised by the Commissioners, who appear to regard only two amalgamations as at all feasiblenamely, British Guiana with Trinidad, and the Windward and Leeward Islands with Barbados. would be some slight saving in administrative expenditure, though that might be a poor return for the loss of the independence now enjoyed in many directions. There can be no possible objection, however, to a merely consultative Assembly, which shall recommend to the various local councils the best methods of political and fiscal reform, and so maintain, as far as possible, some uniform basis. There is, unfortunately too much similarity in fiscal policy at present of the wrong sort.

Moreover, a distinct hindrance to inter-island trade is to be found in the varying tariffs, accompanied by absence of anything in the shape of bonding facilities, so that a commodity which has paid a duty in one island, and is then shipped to another, has to pay over

^{*} Appendix C, vol. ii., page 351.

again. Inter-colonial free trade is a necessity of the situation, but this cannot be introduced while the tariffs vary, because all imports would be first directed to the colony enjoying the lowest.

In one direction federation would be feasible, resulting in an ensured saving of expenditure. The legal system is much the same throughout all the colonies, yet not only has each its local magistrates, but its Supreme Courts and judges as well. One or two of the latter would be amply sufficient for the work, and were the itinerant system adopted, the entire circuit of the islands might be made two or three times a year at least, and all the cases disposed of. At present, work has frequently to be created for them, which, under altered circumstances, could be disposed of quite easily by the inferior jurisdictions.

I have deferred to the last the most thorny problem of all—namely, the question of coolie immigration. This is now practically limited to British Guiana and Trinidad, with an occasional supply for Jamaica; but there is no doubt whatever that its influence is felt throughout the whole of the West Indies, and is a matter of concern, therefore, to the smallest island as well as the largest territory.

The system has been in vogue ever since the abolition of slavery, the plea for its institution having been, that without it there was insufficient labour for the cultivation of the estates. It has been persistently carried out, and probably not a single year has elapsed during the last half-century that has not witnessed the introduction of a number of East Indians upon West Indian estates. The plan is for each

proprietor, by a fixed date every year, to send his requisition to the Colonial Governor for the number of immigrants he requires for the ensuing season, when the Governor, exercising a certain amount of discretion, instructs the immigration agent for the colony in India to recruit and ship them.

Each coolie is bound to remain in the colony for a period of at least ten years, five of which he remains under indenture, his employer being compelled by law to provide him with 280 days work in each year, at a payment of not less than twenty-five cents per diem—though this part of the agreement is scandalously broken. For the second period of five years he is a free man, and may either hire out his labour on the best terms obtainable, cultivate land on his own account, or indulge in any other lawful occupation which may suit his taste and his habits. All the expenses of his introduction are paid for him, and any time after the lapse of the ten years he is entitled to demand a free passage home again.

The broad results are, that since the adoption of the policy in 1838 to the end of 1895, a period of some fifty-seven years, 189,468 immigrants were introduced into British Guiana, and 105,226 into Trinidad. Of the latter 16,024 are recorded as having returned; for the former the figures are only available since 1870, and in the intervening period 36,131 return passages were granted. The cost of introduction is estimated at £16 per head, and of return at £12, and, assuming each man to demand his passage as soon as he is legally entitled to it, these items alone represent an addition of over twopence a day on

the number of days he is legally supposed to work. The estimated total cost to British Guiana is between £4,500,000 and £5,000,000.

Practice, however, is widely at variance with theory, and as a matter of fact the indentured labourer averages only some 150 to 160 days per annum, and his labour is estimated to cost on an average fully thirty-seven cents per day, of which he probably receives directly, less than half, the remainder being absorbed in all sorts of expenses. I have, in a previous chapter, alluded to the costly medical service which has to be maintained, as well as the great inefficiency of the labour, due, it is to be feared, very largely to the harsh, not to say inhuman treatment meted out to the unfortunate immigrants, who are very largely at the mercy of the estate managers and overlookers.*

One might be disposed to regard external opinion on this point as prejudiced and unreliable, but fortunately two witnesses, who are respectively the managers of the largest sugar factory and the principal sugar estates in Trinidad, have in their evidence afforded

* One of the witnesses to whom I am about to refer put in the following statement as to the disposal of the time on the estate with which he is connected.

ercentage of 280	63.86.		
n n	desertion imprisonment sickness leave with absence ,, without ,,	7.74 0.69 11.22 6.91 9.58	36-14
			100:00

Leave without absence admittedly includes time spent on tasks in excess of that allotted by the overlookers, incontrovertible proof of the enmity which exists between employer and employed. Every word of this evidence* is worth careful perusal; and though other witnesses in similar positions were much more reticent in giving utterance to their opinions, they are no doubt very generally held, and, as far as possible, acted upon.

These two witnesses, one of them more particularly, stoutly maintained that the rate of wages was absurdly high, that the coolie could live on four or five cents a day, and that, were his remuneration reduced to eighteen cents from the legal twenty-five, he would still be over-paid. To enforce this reduction he advocated increased immigration, and consequently increased competition, the passing of more stringent labour laws and power to enforce them-as it is, an estate coolie found on the public road without a pass is liable to arrest and imprisonment-and the right to deal directly on the estates with recalcitrant labourers. In short, he attributed the excessive cost of labour in Trinidad to (a) The absence of competition among the labourers; (b) Facilities of existence; (c) Lax administration of defective labour laws; (d) Depletion of the estates by the unchecked desertion of indentured immigrants (scarcely to be wondered at), which is encouraged by (e) Legalised depletion of the estates by the unrestricted sale of Crown lands to immigrants not yet out of their indentures.

This evidence was the origin of the petition from the seventy-eight East Indian immigrants previously

^{*} Appendix C, vol. ii., pages 290-8.

referred to, and they summed it up very admirably in one short sentence:

"Of course, gentlemen, we are confident that the spirit of hostility so openly displayed by Messrs. Abel and Fenwick against the labourers, and the manifest desire to grind them down to the level of the brute, did not escape you."*

The economic effect of the system upon the sugar industry, as well as the moral effect upon the colony, I will allow an ex-mayor and leading barrister of Port of Spain (the capital of the island) to describe in his own words:

"It must be granted that, as far as quality is concerned, the sugar-planters are the worst served of all employers. This is due to two causes. First, the treatment on most estates is such that no man of any spirit will submit to it unless pressed by most dire necessity; next, while the rate of pay in other occupations was, up to quite lately, 1s. 8d. and upwards, the sugar-planter offered 1s. $0\frac{1}{2}d$. Under such circumstances it is not strange that preference is as a rule given to other occupations, and that men in the employment of sugar-planters leave them as soon as they find an opening elsewhere."

"However akin to slavery the coolie's indenture may seem, it has on him no marked degrading effect, because what above all demoralises the slave is the hopelessness of his lot, while the coolie knows that at the end of five years he must be set free. On his employer, however, the effect is much more similar to that of slavery, for if one-fifth of his bondsmen are set free every year, a fresh fifth at once take their place, and he has thus permanently about him a large number of his fellow-men bound to do his bidding under penalty of imprisonment. In fact, with regard to its effect on the employer, the system is not very different from slavery, with the gaol substituted for the whip. And one of the worst consequences of Indian

^{*} Appendix C, vol. ii., page 351, † Ibid., vol. ii., page 320.

immigration into Trinidad has been to keep its educated classes at the moral level of slave-owners."*

And finally, with regard to the "absence of competition among the labourers," the president of the Trinidad Workingmen's Association, whose evidence was couched in studiously moderate language, has something to say:

"The condition and prospects of the labouring class call for serious and immediate attention, as that class is being reduced to destitution by a system of State-aided labour in the form of coolie immigration, as competition to continue the starvation wages paid on sugar estates." †

Though a large proportion of the cost of this immigration is nominally paid out of the colonial treasuries, in British Guiana at present to the extent of two-thirds, and in Trinidad one-third, it is ultimately provided by the labourers themselves, because, as we have seen, they contribute most of the revenue through duties on imported foods which they consume. Despite this, so penurious are their habits and mode of living, that most of them manage to save money, and, when they return to India, take it with them, thus draining the resources of the colony in two ways, because they remove what has become efficient labour, as well as hard cash. That their ability to accumulate is much less than formerly is proved by the reduction in the average of their withdrawals. In 1885, for instance, 533 returning immigrants from Trinidad took with them just over £,12,000 in coin and jewellery, while in 1895 the amount credited to 872, the largest

^{*} Appendix C, vol. ii., page 320. † Ibid., vol. ii., page 301.

number ever departing in a single year, was somewhat under this figure. The immigrants who have left British Guiana have cost the colony £300,000 for return passages, and taken with them £500,000 in money and valuables; and no country can expect to prosper under such circumstances.

But the worst still remains to be told. The planters do not pay cash down for their proportion of the cost of introducing the immigrants, but allow the Government to find the money, and themselves give promissory notes extending over five years. In British Guiana the amount now outstanding is some £200,000, and were the sugar industry to collapse, not only would they have no available means of meeting this liability, but their estates would be practically valueless as security. Further, no provision has been made for the return passages, which are simply met out of annual revenue as the claims arise. But there are now so many free Indian labourers entitled to return that, were they all to claim the right, it would require an expenditure of upwards of £1,000,000 in British Guiana, and fully £800,000 in Trinidad, involving one, if not both, colonies in utter and hopeless bankruptcy.

Various proposals have been made for getting rid of this liability, the most practical in every sense being to make a free grant of five or ten acres of Crown land in full discharge. Not only would this save a monetary outlay, but it would in most instances ensure the permanent settlement of the best of the coolies, who would become landed proprietors, and have a stake in the country of their adoption. The

hostility of the large planters has hitherto prevented this most wise reform, and it is only necessary to refer to clause (e) alluded to a few pages back, to realise how utterly opposed they are to the labourers becoming independent. There is ample room in British Guiana for ten times the existing population, yet the coolies to-day number little more than half those who have actually immigrated, while, under the natural law of increase, they would have doubled or trebled themselves.

The influence of the system is undoubtedly reflected throughout the whole of the West Indies, and exercises a most depressing effect on the remuneration of labour, which is everywhere superabundant. negro, in his own island at least, regards himself a free man, and nothing will induce him, as a rule, to emigrate to those colonies where he believes slavery is in vogue, so that the various attempts to settle the Barbadian or other black labourers in Guiana or Trinidad have nearly always failed. Not that they are much better off in their own homes. The labour contract law in Antigua, for instance, is most obnoxious. Residence on any estate constitutes the negro an estate labourer, and he is bound to give ninety days' notice before he can quit the service. Even non-residents are bound to contract for periods of not less than thirty days, and while the employer is legally called upon to provide work during this period, he invariably pleases himself whether he does so or not. St. Vincent boasts of a labour law passed just after the abolition of slavery, which as may be imagined was not too favourable to the emancipated slave.

Added to the other evils existing in this island, we can well realise the truth of a statement made by the principal medical officer:

"There is a strong and growing spirit of discontent and disaffection throughout the island, in many quarters openly expressed. The labourer, ordinarily fatalistic, is assuming a sullen, discontented, insolent attitude, which may culminate in open revolt and lawlessness for which we are little prepared." *

Even from Jamaica, with its small army of peasant proprietors, the same complaints go up, and in face of the supposed prosperity it is strange to read such evidence as that given by one of the largest planters in the island, as well as by the clergyman and Member of Assembly previously quoted. The one says:

"I can go back for twenty-three years, and I have never known the people so poor as they are now." †

And the other:

"There is no general improvement as far as the people are concerned. They are not any better off in their houses or in their moral condition than they were when I first came to the country" † (fifty years ago).

Granted that these remarks are applicable only to particular districts, it is still evident that there are permanent depressing influences at work; and the fact that the withdrawals from the savings banks have, on an average, for some years past exceeded the deposits, points to something being wrong. Not even the absorption of small holdings of land affords an adequate explanation, because these are now taking place on a greatly reduced scale compared with fifteen or twenty years ago.

^{*} Appendix C, vol. iii., page 97. † *Ibid.*, vol. iii., page 260. † *Ibid.*, vol. iii., page 286.

There is nothing for it but the abolition of the system as speedily as possible. The Royal Commissioners fully recognise the necessity of this in their Report, when they say:

"The present is not an opportune occasion for introducing a change which may hamper the sugar industry, but with the possibility of having at no remote period to send back to India large numbers of coolies, at a cost which the colonies could not meet, there are strong objections to bringing fresh immigrants from India." "

So far, indeed, from permitting forces to continue to operate calculated to reduce wages, it will be to the benefit of every one concerned, and not least of the planters themselves, to introduce others which shall have the contrary effect. The wise prosecution of public works, particularly the construction everywhere of good roads, will not only improve the value of adjoining lands, but absorb some of the surplus labour, and probably increase gradually the remuneration of the rest. Except in Barbados, there is room everywhere for an increased population, and, the moment economic conditions warrant, it will be attracted on advantageous terms.

Most of the islands are too small for the introduction of anything in the nature of a railway system. The largest, Jamaica, is already fairly well provided for in this respect, only unfortunately the financial result has not so far been very satisfactory. Trinidad has also sixty miles of railway, which yield a fair return on capital outlay; but British Guiana, with an area nearly equal to the United Kingdom, has only twenty miles.

^{*} West India Royal Commission Report, page 26.

No effective opening up of this fertile, but almost unexplored territory, can be expected, until means of transport are provided; and here alone is an outlet for no small amount of the idle labour of the West Indies.

There is still one other reform necessary to render the others effective. Proper banking and financial facilities must be forthcoming to assist the small, as well as the great, in times of need. There is plenty of scope for the agricultural banks which have proved so great a success in several Continental countries, and are now playing an important part in relieving distress among small cultivators in Ireland. They may be mere offshoots of one large establishment, introduced to offer more equitable terms to all proprietors and traders in the West Indies alike, than any now obtainable, or they may be the outcome of more local effort. There is plenty of room for both energy and capital; the only man whose presence can be entirely dispensed with is the professional company promoter.

I have now sketched the principle, the adoption of which I believe to be necessary if permanent prosperity is to be insured to our West Indian possessions. That they involve a mass of detail goes without saying, and unfortunately there is a feeling prevalent among the British public that the West Indies are an incubus, and not worth the trouble required to set them on their feet. On the other hand, in the present state of political feeling, they would not tolerate acquisition by any other Power, and so, partly to ease conscience, and partly to secure immunity from worry while their hands are full in other parts of the world, they will

probably be found willing to acquiesce in the vote of doles of more or less importance. My object will not have been fully accomplished until I have shown, not only the present importance of the West Indies, but the possibilities of future development.

There is a tendency at present to attach rather too much weight to the mere commercial value of colonial possessions. Strategically the West Indies are of no great consequence to any country in the Old World, and, under the circumstances, there is more justification than is always the case for estimating them on a purely commercial basis. They are our oldest possessions, most of them well opened up and settled, and should therefore stand in the very forefront of industrial expansion. How they have lagged behind in the race, and what headway there is for them to make, will be best exhibited by a few statistics.

The total population of the British West Indies, inclusive of British Guiana, may be reckoned roughly at 1,750,000. In the year 1897 the total foreign trade, including of course the inter-island trade, which is as much foreign as that of the United Kingdom with its possessions abroad, amounted to £14,028,587, and may be classified as follows:

	United Kingdom.	British Possessions.	Foreign Countries.	Total.
1897	f.	£	£	1
Imports from .	. 3,267,715	780,000	3,102,948	7,150,663
Exports to	. 2,278,233	420,000	4,179,691	6,877,924
1896	5,545,948	1,200,000	7,282,639	14,028,587
Imports from .	. 3,596,891	925,000	3,260,282	7,782,173
Exports to	. 2,625,704	475,000	4,050,806	7,151,510
	6,222,595	1,400,000	7,311,088	14,933,683

The returns given for one or two of the smaller islands of the Leeward and Windward Groups do not distinguish between trade with British possessions and foreign countries, hence an estimate for it has to be made. It will be noticed how, in 1897, despite a considerable falling off in the total, the trade with foreign countries, practically the United States, was almost maintained at the expense of the United Kingdom and British possessions. Last year will no doubt see some change in this respect, at any rate as far as exports are concerned, owing to the inclusion of the West Indies in the Canadian preferential tariff.

Our Australian colonies are much more modern, and their expansion is of comparatively recent date. The two largest of them have neither yet quite attained to three-fourths of the population of the West Indies, yet here are the returns of Free Trade New South Wales and of Protectionist Victoria.

w sou	TH WALES	-	
ngdom. £ 557,069	British Possessions.	Foreign Countries. £ 3,938,308	Total. £ 21,744,350
728,828	8,673,089	6,349,155	23,751,072
285,897	18,922,062	10,287,463	45,495,422
565,998	18,882,688	9,123,173	43,571,859
VIC	TORIA.		
	7,583,519 5,423,348	1,866,165	15,454,482 16,739,670
564,047	13,006,867	3,623,238	32,194,152
627,521	12,564,397	3,561,437	28,753,355
	Inited ngdom. £ 557,069 728,828 285,897 565,998	United British Possessions. £ £ 557,069 10,248,973 8,673,089 18,922,062 18,882,688 VICTORIA. 204,798 7,583,519 559,249 5,423,348 13,006,867	United British Countries. E

Most of the trade classed under the head of British possessions is really with the other Australian colonies, and would not be regarded as foreign at all under a federation.

The tremendous disparity is seen at a glance. It may be contended that the comparison is unfair, because one set of colonies are in the tropics, peopled by blacks, the other in the semi-temperate zone populated by whites. But the same capitalist sources are available, the same management and direction is employed, and black labour, if properly paid, is as efficient as white. Most things, including labour, are very much cheaper in one place than the other, but, allowing to the full for this, the possibilities of one at least are immense. With a combined population barely 50 per cent. greater, these two Australian colonies have more than five times the external trade of the West Indies, and do nearly six times as much direct with the United Kingdom.

The island of Jamaica is reported to be the most prosperous of the West Indian group, while New Zealand can hardly be said to hold that position in relation to the Australasian colonies. The population is almost identical—a little over 700,000 in each instance. Yet their trade compares as follows:

		Imports.	Exports.	Total.
		£	£	£
Jamaica .		1,660,667	1,448,443	3,109,110
New Zealand	4	8,055,223	10,016,993	18,072,216

When we come to Queensland, we have a colony very similarly situated to the West Indies, and producing many of the same commodities. The population is barely as large as that of British Guiana and Trinidad combined, and little more than a fourth of all our West Indian possessions put together; yet the foreign commerce of Queensland is rather the bigger of the two.

These comparisons might be continued in other directions, with very similar results. Taking the whole of the British colonies throughout the world, but excluding the countries which constitute the Indian Empire, the West Indies contain about 8 per cent. of the entire population. Their geographical situation, unrivalled climate, and general surroundings, should ensure them at least an equivalent proportion of colonial trade, yet instead of 8 this amounts to only 5 per cent. of the whole; and more than half of this is done with foreign countries. Even the Dominion of Canada, forming as it does part of the American Continent, and affording every facility for intercourse with the United States, shows a more satisfactory result from a purely British point of view.

To appreciate the true commercial value of the West Indies, however, we have no need to stray into the regions of what may be. What is, affords quite valuable enough a lesson. We have heard much lately of our West African possessions, and to ensure their integrity ran considerable risk of a conflict with France. I have no wish to depreciate in any way the importance of our interests there, but it is at least as well to know what they are. The foreign trade of that portion of West Africa directly under the Colonial office is as follows:—

	United Kingdom.	British Possessions.	Foreign Countries.	Total.
	£	£	£	£
Imports from	1,660,594	89,040	565,133	2,314,767
Exports to	1,206,198	96,130	933,082	2,235,410
	2,866,792	185,170	1,498,215	4,550,177
Corresponding totals for 1896	3,066,471	148,183	1,535,432	4,750,086

These figures do not include the Niger Coast Protectorate, nor the Royal Niger Company. Imports and exports of the former amounted, according to the latest returns, to about £1,450,000, and of the latter to £550,000, so that the total West African trade of British possessions is about £6,500,000.

Apart altogether from the fact that this quarter of the world is not a desirable residence for white men of any sort, we find that its total trade is less than one-half that of the West Indies. Yet, while we are prepared to spend blood and treasure on the one, any sacrifice is unpalatable in the interests of the other. Possibly we might set a higher value on our West Indian possessions, were France knocking at the door of their hinterland, or the German kaiser threatening them with the mailed fist of his younger brother.

From a purely selfish point of view, then, it is to the interest of the British people to adopt such measures as will ensure stability to their oldest and hitherto most neglected possessions. Their bitter cry has long fallen on deaf ears, principally, perhaps, because there has been a suspicion that it has proceeded only from a small minority, well able to take care of itself. But if we now refuse to listen to what is practically a unanimous demand from every section of the community, we shall not only be acting directly contrary to our own best interests, but be guilty of a gross and shameful neglect of duty.

CHAPTER VI.

COUNTERVAILING DUTIES.

Grounds of objection.—Exceptional position of Sugar.—Existing protection to British industries: their growth and general prosperity.—Slight effect of countervailing duties on prices.—
Progressive consumption of tea—Cost of collecting duties.—
How to avoid complications from differential duties.

THOUGH a discussion on the economic side of this question does not strictly fall within the limits of a treatise on the condition of the West Indies, the fact of my having advocated the imposition of countervailing duties renders it advisable at least to deal with some of the objections urged against them.

Like the vast majority of free traders, I long entertained a decided aversion to opposing Continental bounties with any such weapon as would require forging in a customs house, an institution which, however legitimate its functions, every free trader is bound to regard with a certain amount of suspicion. But a duty on sugar cannot, be protective, so long as the commodity is not produced at home, and it is only by making it differential that any purely economic objection can be lodged against it. Interference with consumption owing to enhanced prices may be an evil, but only to the same extent that a tax is always a drain upon the resources of those who have to pay

it. I have elsewhere stated very fully the reasons for my opinion that a revenue of a few millions sterling, derived annually from some generally used but not absolutely necessary commodity, is not only equitable, but desirable.* Such a revenue is at present raised from the tea duty, but I have also shown that circumstances have so altered within the last twenty-five years, as to make it probable that sugar, and not tea, would best fulfil the main purposes to-day.

But it is necessary first of all to distinguish between sugar and any other consumable commodity that may be suggested. It is frequently asserted that there are many things imported into this country which, for some reason or other, compete unfairly with home productions, and that were a duty to be imposed upon beet-sugar, these must have equal claims for special treatment which would amount to protection. A moment's consideration will show that this is not We cannot, in framing our tariff, enter into questions of railway rates in foreign countries, of shipping subsidies, land laws, rates of wages, or the thousand other details which affect cost of production, unless, indeed, some special act of legislation is aimed deliberately at crippling British industry at home, and receives the financial as well as the moral support of the Government inaugurating it. And this is exactly what has occurred with sugar, inasmuch as Continental treasuries now disburse in hard cash something like five or six millions sterling per annum, with the result, if not with the deliberate object, of injuring the cane-sugar industry in British colonies,

^{*} Tariff and Trade, page 75.

and the refining industry at home. There is no other commodity imported into Great Britain of any material consequence of which this can be said, and sugar therefore stands alone.

When foreign nations begin to pay money premiums to enable their producers to under-sell British farmers, or cotton manufacturers, or engineers, in British markets, it will be our duty to interfere. What they may do to enable their producers to compete in neutral markets, is beyond our official cognisance, and such competition must be left to those more intimately concerned.

So far from a sugar duty which differentiated between cane and beet being protective, it would destroy an insidious and veiled protection which certain industries in the United Kingdom have long enjoyed. argument so frequently used against British interference with the bounty system is itself proof positive of this. For it is contended that the many industries built upon cheap sugar have been greatly stimulated by this very system of artificially depressed prices. In other words, they would never have attained their present dimensions and prosperity had it not been for the monetary assistance afforded by foreign Governments, and they might be destroyed were that assistance suddenly or permanently withdrawn. France, or Germany, or the United States, set about protecting a national industry, they take care to keep the machinery under their own control, so that the screws may be loosened or tightened to suit their own purposes. We have allowed industries to become dependent on foreign Governments, because if they are to be ruined, or even seriously injured, by countervailing duties, this can be accomplished to-morrow by the entire or the partial abolition of the bounties by Continental Europe.

There are few people who believe that a single jam factory or confectionery works would be brought to a standstill were the sugar bounties abolished; and the most sceptical on this point are probably the owners themselves. These industries became successful and highly profitable long before sugar declined to its present price, and were statistics available, it would doubtless be discovered that there has been a steady increase in output, quite irrespective of the value of sugar. Men do not, as a rule, support measures likely to have the effect of reducing their trade profits, and we must look for the keenest opposition to anything in the nature of countervailing duties from most manufacturers who are large consumers of sugar. They have a vested interest to protect, and may be expected to fight for it to the last ditch; and in this respect they are neither more nor less selfish than the man who advocates protection for an industry in which he is personally interested, well knowing that it will enable him to increase his profits.

No doubt the jam and confectionery trades in this country are carried on on a bigger scale than ever before, but it has been a progressive and not a sudden expansion. One would like to know, for instance, whether the output of the six largest jam and confectionery manufactories in the kingdom, or, for that matter, any promiscuous half-dozen that might be selected, was smaller in the year 1889, when crystal sugar rose

as high as twenty-six shillings per hundredweight, than in 1886, when the highest price was only eighteen shillings, and the year's average very much lower. Or was there any falling off in 1893 compared with 1892, when prices again averaged several shillings lower than the year following? It is always a thankless task to cut into any one's profits, yet no fiscal reform, however urgent, can be undertaken without affecting somebody in this way, and the larger sugar consumers must submit, unwillingly no doubt, to a fate which has befallen many before them, if the interests of the general community demand it.

The Royal Commissioners cannot be accused of animosity to these particular trades; two of them, in fact, have reported against countervailing duties. Yet these two, as well as Sir Henry Norman, who advocates them, have agreed in penning the following paragraph, which amply confirms what I have just written:

"It is feared by some authorities that countervailing duties might cripple certain British industries. We doubt whether such a rise in price as would result from them would appreciably interfere with such trades as those of the jam-, confectionery, and biscuit-makers, which depend upon cheap sugar. Even with some rise in price they would still retain a very great advantage over competitors in countries where sugar is highly taxed, though it is necessary to bear in mind that the imposition of countervailing duties on the import of beet sugar into the United Kingdom would give a distinct advantage to such industries in any country which might adopt the policy of neither taxing sugar nor imposing countervailing duties on bounty fed sugar."*

The latter is at present a very remote contingency, and should it ever arise it would always be open to

^{*} West India Royal Commission Report, page 12.

us to reconsider our position. For the present, at any rate, there is no foreign government which would deprive itself of its revenue from sugar on the off-chance of building up a jam and confectionery trade to compete with the British.

I have also shown in my book, already referred to, that the domestic consumer would gain rather than lose by the substitution of a duty on sugar for the existing tax on tea, and as he would not be anything out of pocket at the end of the year, there is no reason to suppose he would use an ounce less. figures of consumption, prior to the total abolition of the duty in 1874, which are so ostentatiously paraded and compared with those of the present day, are utterly misleading. In the first place, nothing but a disaster to a crop, or some economic disturbance which would affect all commodities alike, will ever again drive sugar to the basis of prices ruling a quarter of a century ago. The cost of production has been so enormously reduced everywhere, and the area of cultivation so widely extended, that an output equal to the world's consumption will never, in the face of free competition, ensure the growers more than a legitimate profit. The United Kingdom would remain open to the free competition of the whole world, and its markets would be commanded and supplied by the country which could produce the cheapest, whether it were Germany or British Guiana.

That the mere levying of a duty is no hindrance to a progressive rate of consumption, is proved by tea. According to the table on page 83, the consumption of sugar advanced from an average of 70.11 pounds

per head in 1880-4 to 86.15 pounds in 1896, or barely 25 per cent. During the same interval the consumption of tea rose from 4.70 to 5.73 pounds per head, or a percentage of increase almost the same as sugar. Yet during the greater part of this period, the duty on tea was sixpence per pound, and for the remainder has been fourpence. The average value of the tea imported into the United Kingdom in 1897 was ninepence per pound, consequently the duty amounted to nearly 50 per cent ad valorem, and on the bulk of the import was much heavier. On the other hand, the average value of the sugar import was 10s. 6d. per hundredweight, and were the duty to amount to as much as 2s. 6d., it would still be less than 25 per cent, of the value. Such figures make it difficult to give credence to the statement that a countervailing duty would interfere in any way with consumption.

Finally, there is the objection to the cost the collection of such a duty would entail. Under ordinary circumstances this would be no greater than the cost of collecting the existing one on tea, for which it would be substituted; but differential duties do undoubtedly introduce expensive complications. On this point the head of the Statistical Department of the Board of Trade offered some valuable evidence regarding the difficulties that were encountered in former days, He said:

"There were always complaints being made where a consul would not countersign a certificate, and said, 'It is really not free-grown sugar; it is slave-grown sugar.' The Board of Trade had to consider the merchants' complaints in such cases. There were cases in which slave-grown sugar was sent to this country via a free-labour place, so as to come in at the lower customs

duty which was levied on free-grown sugar. For instance, sugar was sent here via Manila, which was a free-labour place. If the complaints became numerous, the consuls received hints that they were to be very particular, but not too particular. Quite a number of cases used to come before the Board as to whether they should charge the higher duty or not. The opinion at the time was that these certificates of origin were not worth very much."

The complications which can arise now are in any event comparatively insignificant, and may be altogether avoided. A small duty on cane sugar and a somewhat higher one on beet, irrespective of the country of production, every one of which pays some bounty or other, would not only simplify the collection of the duty, but avoid all disputes under the most favoured nation clauses of commercial treaties. The experiment might at least be made of fixing the differential duty at what are believed to be lowest rates of bounty now paid—namely, those by Germany of 1s. 3d. and 1s. 9d. per hundredweight respectively; and as Germany is admittedly the severest competitor, this ought to answer the required purpose. A free hand to alter the rate would afford security against undue manipulation by other countries, and would, moreover, impose upon the bounty-paying governments the necessity of agreeing among themselves without any intervention on our part at all. So long as our own industries are having fair play, it is a matter of indifference to us what squabbles are taking place elsewhere.

Against whatever objections may be urged to countervailing duties, there are at least three benefits to be secured.

^{*} Appendix C, vol. i., page 148.

- (1) The abolition of the protection now afforded to certain British industries at the expense of others.
- (2) The restoration to prosperity of our West Indian and other sugar-producing colonies.
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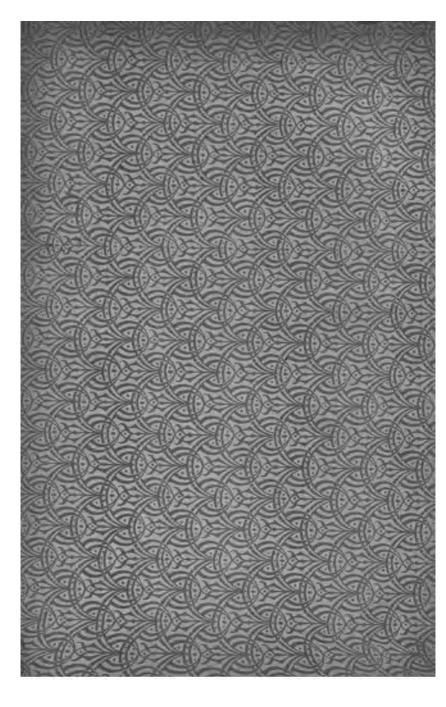
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